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ABSTRACT

The sharply increased food costs in 1973 and the unavailability of surplus commodities that schools are accustomed to receiving have placed the nation's schools in a financial bind. This report contains the texts of proposed amendments to the National School Lunch and Child Nutrition Acts and hearings on those amendments which were drafted to deal with the crisis facing school lunch programs. Statements made by Senators, school food service program personnel, a representative of the National Milk Producer's Federation, child nutrition experts, and concerned citizens are included. (JF)

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SCHOOL LUNCH AND BREAKFAST PROGRAMS

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HEARING

BEFORE THE

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

OF THE

COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST SESSION

ON

S. 1005

TO AMEND THE NATIONAL SCHOOL LUNCH ACT, AS AMENDED, TO ASSURE THAT THE SCHOOL FOOD SERVICE PROGRAM IS MAINTAINED AS A NUTRITION SERVICE TO CHILDREN IN PUBLIC AND PRIVATE SCHOOLS, AND FOR OTHER PURPOSES,

S. 1063

TO ESTABLISH A PROGRAM OF NUTRITION EDUCATION FOR CHILDREN AS A PART OF THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS AND TO AMEND THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACTS FOR PURPOSES RELATED TO STRENGTHENING THE EXISTING CHILD NUTRITION PROGRAMS, AND

S. 2409

TO AMEND THE NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACTS FOR THE PURPOSE OF PROVIDING ADDITIONAL FEDERAL FINANCIAL ASSISTANCE TO THE SCHOOL LUNCH AND SCHOOL BREAKFAST PROGRAMS

SEPTEMBER 13, 1973

Printed for the use of the Committee on Agriculture and Forestry

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SCHOOL LUNCH AND BREAKFAST PROGRAMS

THURSDAY, SEPTEMBER 13, 1973

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND
GENERAL LEGISLATION OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m. in room 324, Russell Senate Office Building, Hon. James B. Allen (chairman of the subcommittee) presiding.

Present: Senators Allen, Clark, Young, and Dole.

STATEMENT OF HON. JAMES B. ALLEN, A U.S. SENATOR FROM THE STATE OF ALABAMA

Senator ALLEN. The subcommittee will please come to order.

Today, we are faced once again with the need to take emergency action on behalf of the child nutrition programs. This subcommittee has had the privilege of working on a number of bills dealing with our school lunch and child nutrition programs, both in the 92d Congress and this, the 93d Congress.

In the 92d Congress, it was necessary to pass three different bills to make changes in the child nutrition programs and to provide for increased reimbursement for these programs. Already, in 1973, it was necessary for Congress to pass emergency legislation to require the Department of Agriculture to make up for the shortfall of donated commodity deliveries by an increased cash reimbursement. All of these bills which were passed in the 92d Congress and the bill which was passed in the 93d Congress were signed by the President and all were absolutely essential to the continued operation of school lunch programs and other child nutrition programs.

Although our school districts have had crises in the past and although they have experienced increased costs in past school years, I don't recall any crisis that has ever approached the present one. The sharply increased costs of food this year and the unavailability of surplus commodities that the schools are accustomed to receiving have placed our schools in a severe financial bind. Also, the schools may not enjoy the continued benefits of the special milk program this year. The administration has recommended that the program not be continued, except for those schools which do not have a regular school lunch program.

I, for one, do not feel that it is desirable for the Congress to be in the business of establishing, by annual or semiannual passage of new laws, the number of pennies the schools will receive in reimbursement for each school lunch and school breakfast. The Congress should not have to get involved in this type of administrative decision.

During public service, I have been a strong advocate of fiscal responsibility and balanced budgets. In this era of runaway inflation and oppressive tax burdens, we should do everything within our power to cut expenditures for all Federal programs. Certainly, child nutrition programs should be scrutinized as closely as other Government spending programs. However, I believe that the child nutrition programs have achieved a remarkable record of success and have been uniquely free of waste and abuse. This is due in a large part to the fact that these programs depend so heavily on sound administration by State and local government authorities. I believe that we should continue to rely on State and local government authorities for the administration of the school lunch program and that we should encourage them to find ways to economize rather than to open Government coffers and provide unlimited Federal reimbursement. However, I do not feel that State and local authorities should have to bear entire responsibility for increased costs of operating school lunch and other child nutrition programs.

The bills that are the subject of today's hearings attempt to deal with the pressing problems which face our child nutrition programs and our school districts. I would like to place in the record at this point in my remarks a staff explanation of S. 1005 and S. 1063, plus a copy of S. 1005, S. 1063, and S. 2409.

[The bills and explanation above-referred to follow]

93d CONGRESS
1st Session

S. 1005

IN THE SENATE OF THE UNITED STATES

February 26, 1973

Mr. Case introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

---

A BILL

To amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. After the first sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) delete the following sentence: "Such regulations shall not prohibit the sale of competitive food in food service facilities or areas during the time of service of food under this Act or the National School Lunch Act if the proceeds from the sales of such foods will inure to the benefit of the schools or of organizations of students approved by the schools."

SEC. 2. The Child Nutrition Act is further amended by adding at the end thereof a new section as follows:

"SEC. 18. (a) The Secretary shall make cash grants to the education department or comparable agency of each State for the purpose of providing funds to local school districts and private nonprofit school systems to enable school children within each State to participate in programs which increase their knowledge of the nutritional value of foods and the relationship of nutrition to human health.

"(b) In order to carry out the program provided for under subsection (a) there are authorized to be appropriated such sums as the Congress deems appropriate. These funds shall be apportioned among the States according to the number of people in that State in proportion to the number of people in all the States; however, no State shall receive less than 1 per centum of any funds appropriated by the Congress.

"(c) In the event that a State education or comparable agency is unable to distribute funds provided under this section to private nonprofit schools, the Secretary shall disburse these funds directly to such school systems in proportion of the total enrollment in these schools to the total enrollment in all schools in the State, and the Secretary shall withhold these funds from the total apportionment allotted to the State agency.

"(d) The Secretary shall withhold not less than 1 per centum of any funds appropriated under this section and shall expend these funds to carry out research and development projects relevant to the purpose of this section, particularly to develop materials and techniques for the innovative presentation of nutritional information."

93D CONGRESS
1ST SESSION

S. 1063

IN THE SENATE OF THE UNITED STATES

MARCH 1, 1973

MR. HUMPHREY introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

---

A BILL

To establish a program of nutrition education for children as a part of the national school lunch and child nutrition programs and to amend the National School Lunch and Child Nutrition Acts for purposes related to strengthening the existing child nutrition programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Education Act of 1973".

SEC. 2. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to formulate the basic elements of a nutrition education program for children to be extended on a voluntary basis through State educational agencies to schools and service institutions as a part of the school lunch and child nutrition programs. Such a program shall include, but shall not be limited to, the preparation of course outlines, based on the advice of experts in the field of child nutrition, classroom teaching aids, visual materials, the training of school food service personnel, and the training of teachers to conduct courses in nutrition utilizing the school food service program as a laboratory. In developing such a program the Secretary shall consult with the Office of Education of the Department of Health, Education, and Welfare and with recognized authorities in the field of human nutrition and nutrition education.

(b) For the fiscal year 1974, the Secretary is authorized to use not to exceed $2,000,000 out of funds made available for the conduct of school lunch and child nutrition programs for the purpose of developing a nutrition education program as outlined under (a) above. From the funds made available under this subsection, the Secretary shall advance to each State educational agency an amount not to exceed $25,000 for the fiscal year 1974. The amounts so advanced shall be for the purpose of the employment of a nutrition education specialist in each State educational agency in order to provide for the planning and development of a nutrition education program for the children in each State.

(c) For the fiscal year 1975 grants to the States for the conduct of nutrition education programs for children shall be based on a rate of 50 cents for each child enrolled in schools or service institutions within the State and, for each fiscal year thereafter, grants will be based on a rate of $1 for each child so enrolled. Enrollment data so used will be the lastest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

(d) The funds made available under subsection (c) may be used for the employment of personnel including supporting services, in the State educational agencies to coordinate and promote the conduct of nutrition education programs in participating school districts, and for other purposes related to such programs.

There is hereby authorized to be appropriated the funds necessary to carry out the purpose of this section.

(e) A nutrition education advisory council shall be established in each State to provide guidance and assistance in formulating the nutrition education program to be conducted in the State under the authority of this section. The members of the council shall be appointed by the chief state school officer of each State, and approved by the State educational agency and shall be professionals in the fields of nutrition, education, health, and welfare.

STATE ADMINISTRATIVE EXPENSES

SEC. 3. Section 7 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following:

"For each fiscal year beginning with the fiscal year 1974, State educational agencies are authorized to use an amount, not to exceed 2 per centum of aggregated payments made to such agencies by the Secretary under the National School Lunch Act and the Child Nutrition Act of 1966 in the preceding fiscal year, to assist in the administration and supervision of the programs authorized under such Acts: *Provided*, That not less than 75 per centum of any funds used under this authority shall be directed to the employment of field nutrition supervisors and auditors who have a certificate of training in the subject areas or the equivalent in field supervisory or auditing experience: *Provided further*, That the funds expended under this section shall be used to supplement the existing level of administrative support services and expenditures therefor for the child nutrition programs in each State."

SCHOOL BREAKFAST PROGRAMS

SEC. 4. (a) The first sentence of section 4(c) of the Child Nutrition Act of 1966 is amended to read as follows:

"Funds apportioned and paid to any State for the purpose of this section shall be disbursed by the State educational agency to schools selected by the State educational agency to assist such schools in financing the costs of operating a breakfast program and for the purpose of subsection (d)."

(b) The second sentence of section 4 (c) of the Child Nutrition Act of 1966 is deleted.

(c) Section 4 (b) of the Child Nutrition Act of 1966 is amended by adding the following paragraphs at the end of such section:

"The national average payment established by the Secretary for all breakfasts served to eligible children shall not be less than 8 cents; an amount of not less than 15 cents shall be added for each reduced-price breakfast; and an amount of not less than 20 cents shall be added for each free breakfast. In cases of severe need, a payment of up to 45 cents may be made for breakfasts served to children qualifying for a free breakfast.

"For the fiscal years subsequent to the fiscal year beginning July 1, 1973, the breakfast payments specified in this subsection shall reflect changes in the cost of operating a school breakfast program under this Act by giving equal weight to changes in the wholesale prices of all foods and hourly wage rates for employees of eating places published by the Bureau of Labor Statistics of the Department of Labor."

NATIONAL ADVISORY COUNCIL

SEC. 5. Section 14 of the National School Lunch Act is amended as follows:

(1) In subsection (a) replace the word "thirteen" with the word "nineteen" and insert after the phrase "(or the equivalent thereof)", the first time it appears the following: "one member shall be a supervisor of a school lunch program in a school system in an urban area (or the equivalent thereof); one member shall be a supervisor of a school lunch program in a school system in a rural area; two members shall be parents of school age children; two members shall be secondary school students participating in the school lunch program,";

(2) Subsection (b) is amended by striking out "nine" and inserting in lieu thereof "fifteen", and by adding the following to said subsection: "The new members to be appointed to the council as provided for by reason of the amendment to subsection (a) made by section 5 of the Child Nutrition Education Act of 1973, shall be appointed for terms of three years, except that the terms of the secondary students shall be two years."

(3) In subsection (e), delete the word "seven" and insert in lieu thereof the word "ten".

(4) Subsection (f) is amended by adding the following at the end of such subsection: "For the purpose of obtaining

information incident to making the aforesaid recommendations, the council, by vote of its members present may request the appearance, at any of its meetings, of representatives from governmental or nongovernmental agencies or organizations concerned with the nutrition and welfare of children."

(5) Such section is amended by adding at the end thereof the following:

"(i) The Council shall continue in existence until terminated by Act of Congress enacted after the enactment of the Child Nutrition Education Act of 1973."

REGULATIONS

SEC. 6. The National School Lunch Act is amended by adding after section 15 the following new section:

"SEC. 16. Prior to the publication in the Federal Register of any proposed regulations to implement the provision of this Act or the Child Nutrition Act of 1966, the Secretary shall solicit the comments and recommendations of the National Advisory Council on Child Nutrition, and a representative group of State and local school food service administrators and selected lay citizens and shall establish a five-member group to work with the Department of Agriculture in the development of such regulations that reflect the comments of such groups."

REIMBURSEMENT

SEC. 7. (a) Section 4 of the National School Lunch Act is amended to delete the phrase "8 cents per lunch" as it appears in said section and substitute the phrase "10 cents per lunch". For the fiscal years subsequent to the fiscal year beginning July 1, 1973, the national average payment shall reflect changes in the cost of operating the school lunch program under this Act by giving equal weight to changes in the wholesale prices of all foods and hourly wage rates for employees of eating places published by the Bureau of Labor Statistics of the Department of Labor.

(b) In any fiscal year in which the national average payment is increased above the amount prescribed in the previous fiscal year, the maximum Federal food-cost contribution rate, for the type of lunch served, as provided for under section 8 of the National School Lunch Act, shall be increased by a like amount.

SPECIAL FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 8. Section 13 of the National School Lunch Act is amended by adding the following to subsection (d) of said section: ": *Provided, however,* That the Secretary may enter into agreement with State educational agencies for the administration of the program in situations where it is conducted under sponsorship of the local government. In such situations the Secretary shall reimburse participating service institutions through State educational agencies under agreement with the Secretary.".

COMPETITIVE FOODS

SEC. 9. (a) Section 9 (a) of the National School Lunch Act (nutritional and other program requirements) is amended by adding at the end thereof the following: "Additional foods which make a significant nutritional contribution may be offered for sale to children during the periods of food service conducted under programs authorized under this Act and the Child Nutrition Act of 1966 to the extent such offerings are necessary to meet nutritional needs of pupils in participating schools: *Provided, however,* That the sale of such additional foods shall be under the management and control of the food service department of the school and proceeds from such sales shall accrue to said department."

(b) The second sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is deleted.

SPECIAL ASSISTANCE FUNDS

SEC. 10. (a) Section 11 of the National School Lunch Act is amended by redesignating subsection (h) as subsection (c), and by striking out subsections (a), (b), (c), (d), (e), (f), and (g) and inserting in lieu thereof the following:

"(a) Except as provided in section 10 of this Act, in each fiscal year each State educational agency shall receive special assistance payments in an amount to be determined in the following manner: multiplying the number of lunches (consisting of a combination of foods and meeting the minimum nutritional requirements prescribed by the Secretary pursuant to subsection 9 (a) of this Act) served free to children eligible for such lunches in schools within that State during such fiscal year by the special-assistance factor for free lunches prescribed by the Secretary for such fiscal year and multiplying the number of lunches served at a reduced price to children eligible for such reduced-price lunches in schools within that State during such fiscal year by the special-assistance factor for reduced-price lunches prescribed by the Secretary for such fiscal year. For the fiscal year beginning July 1, 1973, the Secretary shall prescribe a special-assistance factor for free lunches of not less than 45 cents and a special-assistance factor for reduced-price lunches which shall be 10 cents less than the special-assistance factor for free lunches. For fiscal years subsequent to the fiscal year beginning July 1, 1974, the special-assistance factor to be prescribed by the Secretary for free lunches shall reflect changes in the cost of operating a school lunch program under this Act by giving equal weight to changes in the wholesale prices of all foods and hourly wage rates for employees of eating places published by the Bureau of Labor Statistics of the Department of Labor.

"(b) Except as provided in section 10 of the Child Nutrition Act of 1966, the special-assistance payments made to each State agency during each fiscal year under the provisions of this section shall be used by such State agency to assist schools of that State in financing the cost of providing free and reduced price lunches served to children pursuant to subsection 9 (b) of this Act. The amount of such special assistance funds that a school shall from time to time receive, within a maximum per lunch amount established by the Secretary for all States, shall be based on the need of the school for such special assistance. Such maximum per lunch amount established by the Secretary shall not be less than 60 cents."

(b) Subsection (c) of such section (as so redesignated by subsection (a)) is amended by adding at the end thereof the following:

"(4) Notwithstanding any other provision of this Act, in the case of any school attendance unit in which 85 per centum or more of the students are eligible for free or reduced price meals, all students in such school attendance units shall be served meals free of charge. In such case, all meals served in such attendance unit shall be reimbursed at the special assistance factor for free lunches approved by the State educational agency."

COMMODITIES

SEC. 11. Section 9 of the National School Lunch Act is amended by adding the following subsection:

"(d) In any fiscal year in which the Secretary is unable to expend the full amounts budgeted and programed for the purchase of commodities under section 6 of this Act and section 32 of the Act of August 24, 1935, the amounts unexpended shall be distributed among the States for the purchase of food by public and nonprofit private schools participating in the school lunch program. The determination of the amounts available for such distribution shall be made by February 1 of each fiscal year and the actual distribution shall be made as soon as practicable after that date, but in no event later than March 15. The distribution of funds to the States under this section shall be made on the basis of the formula used in allocating section 6 and section 32 commodities for the school lunch program among the States."

DEFINITIONS

SEC. 12. Subsection 5(e) of the Child Nutrition Act of 1966 is amended by adding the following sentence at the end of such subsection: "For the purposes of this subsection the term 'schools without a food service' shall include those schools which have initiated food service on a temporary and emergency basis and desire to establish an improved and more effective food service on a permanent basis to better meet the needs of children in attendance."

APPROPRIATIONS FOR NONFOOD ASSISTANCE

SEC. 13. The first sentence of section 5 (a) of the Child Nutrition Act of 1966 is amended by deleting the figure "$20,000,000" and substituting the figure "$40,000,000".

EXTENSION OF PROGRAM TO ALL SCHOOLS

SEC. 14. Section 8 of the National School Lunch Act is amended by adding the following before the period at the end of said section: ": *Provided*, That a school food authority that operates a school lunch program under this Act in one or more of the public schools under its jurisdiction shall operate the program in all schools under its jurisdiction by no later than the fiscal year ending June 30, 1975. It is further provided that the national school lunch program is to be extended, by September 1, 1975, to all public schools in which children are in attendance who qualify for free or reduced price lunches under the standards established by this Act."

INCLUSION OF TRUST TERRITORY

SEC. 15. Subsection (d) of section 12 of the National School Lunch Act, as amended, is amended by inserting the phrase "the Trust Territory of the Pacific Islands," before the word "or" in paragraph (1); by deleting paragraphs

(4), (5), and (6); and by redesignating paragraph (7) as paragraph (4).

GRANTS FOR PROGRAM COSTS

SEC. 16. The National School Lunch Act is amended by adding at the end thereof the following:

"LOCAL COSTS OF SUPERVISION

"SEC. 17. The Secretary is authorized to make grants to State educational agencies, out of amounts appropriated by Congress for the purposes of this section, to assist in the supervision of local program operations. The grant to each State is to be determined on the basis of $250 for each school attendance unit participating in programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966."

93d CONGRESS
1st Session

S. 2409

IN THE SENATE OF THE UNITED STATES

September 12, 1973

Mr. McGovern (for himself, Mr. Case, Mr. Cranston, Mr. Hart, Mr. Humphrey, Mr. Kennedy, and Mr. Nelson) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

---

A BILL

To amend the National School Lunch and Child Nutrition Acts for the purpose of providing additional Federal financial assistance to the school lunch and school breakfast programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National School Lunch and Child Nutrition Act Amendments of 1973".

REIMBURSEMENT

Sec. 2. (a) Section 4 of the National School Lunch Act is amended to delete the phrase "8 cents per lunch" as it appears in said section and substitute the phrase "12 cents per lunch".

II

(b) Section 8 of the National School Lunch Act is amended by inserting before the last sentence thereof the following new sentence: "In any fiscal year in which the national average payment per lunch determined under section 4 is increased above the amount prescribed in the previous fiscal year, the maximum Federal food-cost contribution rate, for the type of lunch served, shall be increased by a like amount."

SPECIAL ASSISTANCE FUNDS

SEC. 3. (a) Section 11 of the National School Lunch Act is amended by redesignating subsection (h) as subsection (e), and by striking out subsections (a), (b), (c), (d), (e), (f), and (g) and inserting in lieu thereof the following:

"(a) Except as provided in section 10 of this Act, in each fiscal year each State educational agency shall receive special-assistance payments in an amount to be determined in the following manner: multiplying the number of lunches (consisting of a combination of foods and meeting the minimum nutritional requirements prescribed by the Secretary pursuant to subsection 9 (a) of this Act) served free to children eligible for such lunches in schools within that State during such fiscal year by the special-assistance factor for free lunches prescribed by the Secretary for such fiscal year and multiplying the number of lunches served at a reduced price to children eligible for such reduced-price lunches in schools within that State during such fiscal year by the special-assistance factor for reduced-price lunches prescribed by the Secretary for such fiscal year. For the fiscal year beginning July 1. 1973, the Secretary shall prescribe a special-assistance factor for free lunches of not less than 45 cents and a special-assistance factor for reduced-price lunches which shall be 10 cents less than the special-assistance factor for free lunch.

"(b) Except as provided in section 10 of the Child Nutrition Act of 1966, the special-assistance payments made to each State agency during each fiscal year under the provisions of this section shall be used by such State agency to assist schools of that State in financing the cost of providing free and reduced-price lunches served to children pursuant to subsection 9(b) of this Act. The amount of such special assistance funds that a school shall from time to time receive. within a maximum per lunch amount established by the Secretary for all States, shall be based on the need of the school for such special assistance. Such maximum per lunch amount established by the Secretary shall not be less than 60 cents."

"(c) Special assistance payments to any State under this section shall be made as provided in the last sentence of section 7 of this Act.

"(d) In carrying out this section, the terms and conditions governing the operation of the school lunch program set forth in other sections of this Act, including those applicable to funds apportioned or paid pursuant to section 4 or 5 but excluding the provisions of section 7 relating to matching, shall be applicable to the extent they are not inconsistent with the express requirements of this section."

(b) Section 10 of the National School Lunch Act is amended by inserting "and section 11" after "section 4".

SCHOOL BREAKFAST PROGRAMS

SEC. 4. (a) The first sentence of section 4(c) of the Child Nutrition Act of 1966 is amended to read as follows: "Funds apportioned and paid to any State for the purpose of this section shall be disbursed by the State educational agency to schools selected by the State educational agency to assist such schools in financing the costs of operating a breakfast program and for the purpose of subsection (d)."

(b) The second sentence of section 4(c) of the Child Nutrition Act of 1966 is deleted.

(c) Section 4(b) of the Child Nutrition Act of 1966 is amended by adding the following sentences at the end of such section: "The national average payment established by the Secretary for all breakfasts served to eligible children shall not be less than 8 cents; an amount of not less than 15 cents shall be added for each reduced-price breakfast; and an amount of not less than 20 cents shall be added for each free breakfast. In cases of severe need, a payment of up to 45 cents may be made for each breakfast served to children qualifying for a free breakfast."

CASH IN LIEU OF COMMODITIES

SEC. 5. (a) Section 6 of the National School Lunch Act is amended by striking the present subsections (b), (c), and (d) and by substituting in lieu thereof the following new subsections:

"(b) As of January 15 of each fiscal year, the Secretary shall make an estimate of the value of agricultural commodities and other foods that will be delivered during that fiscal year to States for school food service programs under the provisions of this section, section 416 of the Agricultural Act of 1949, and section 32 of the Act of August 24, 1935. If such estimated value is less than 90 per centum of the value of such deliveries initially programed for that fiscal year, the Secretary shall pay to State educational agencies, by not later than February 15 of that fiscal year, an amount of funds that is equal to the difference between the value of such deliveries initially programed for such fiscal year and the estimated value as of February 15 of such fiscal year of the commodities and other foods to be delivered in such fiscal year. The share of such funds to be paid to each State educational agency shall bear the same ratio to the total of such payment to all such agencies as the number of meals served under the provisions of section 9 (a) of this Act and section 4 (e) of the Child Nutrition Act of 1966 during the preceding fiscal year bears to the total of all such meals served in all the States during such fiscal year: *Provided,* That in any State in which the Secretary directly administers school food service programs in the nonprofit private schools of such State, the Secretary shall withhold from the funds to be paid to any such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of meals served in nonprofit private schools under the provisions of section 9 (a) of this Act and section 4 (e) of the Child Nutrition Act of 1966 during that fiscal year bears to the total of such meals served in all the schools in such State in such fiscal year. Each State educational agency, and the Secretary in the case of nonprofit private schools in which he directly administers school food service programs, shall promptly and equitably disburse such funds to schools participating in the lunch and breakfast programs under this Act and the Child Nutrition Act of 1966 and such disbursements shall be used by such schools to obtain agricultural commodities and other foods for their food service program. Such food shall be limited to the requirements for lunches and breakfasts for children as provided for in the regulations by the Department of Agriculture under title 7, subtitle (b), chapter II, subchapter (a), parts 210 and 220.

"(c) Notwithstanding any other provision of law, the Secretary, until such time as a supplemental appropriation may provide additional funds for the purpose of subsection (b) of this section, shall use funds appropriated by section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to make any payments to States authorized under such subsection. Any section 32 funds utilized to make such payments shall be reimbursed out of any supplemental appropriation hereafter enacted for the purpose of carrying out subsection (b) of this section and such reimbursement shall be deposited into the fund established pursuant to section 32 of the Act of August 24, 1935, to be available for the purposes of said section 32.

"(d) Any funds made available under subsection (b) or (c) of this section shall not be subject to the State matching provisions of section 7 of this Act."

SPECIAL SUPPLEMENTAL FOOD PROGRAM EXTENSION

SEC. 6. (a) Section 17(a) of the Child Nutrition Act of 1966 is further amended by inserting after the words "of each State" the following: "or Indian Reservation, including the Indian Health Service of the Department of Health, Education, and Welfare," and by inserting after the words "of such State" the following: "or Indian reservation".

EXTENSION OF PROGRAM TO ALL SCHOOLS

SEC. 7. Section 8 of the National School Lunch Act is amended by adding the following before the period at the end of said section: ": *Provided*, That a school food authority that operates a school lunch program under this Act in one or more of the public schools under its jurisdiction shall operate the program in all schools under its jurisdiction by no later than the fiscal year ending June 30, 1976. It is further provided that the national school lunch program is to be extended, by September 1, 1976, to all public schools in which children are in attendance who qualify for free or reduced-price lunches under the standards established by this Act".

ELIGIBILITY FOR SPECIAL MILK PROGRAM

SEC. 8. Section 3 of the Child Nutrition Act of 1966 is amended to read as follows: "There is hereby authorized to be appropriated for the fiscal year ending June 30, 1970, and for each succeeding fiscal year, not to exceed $120,000,000, to enable the Secretary of Agriculture, under such rules and regulations as he may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

For the purposes of this section 'United States' means the fifty States, Guam, and the District of Columbia. The Secretary shall administer the special milk program provided for by this section to the maximum extent practicable in the same manner as he administered the special milk program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969. Any school or nonprofit child care institution shall receive the special milk program upon their request. Children that qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk."

INCOME GUIDELINES FOR REDUCED PRICE LUNCHES

SEC. 9. Section 9 (b) of the National School Lunch Act is amended by adding the following at the end of said subsection: "*Provided further*, That, for the fiscal year ending 1974, State educational agencies are authorized to establish income guidelines for reduced price lunches at not more than 75 per centum above the applicable family size income levels in the income poverty guidelines as prescribed by the Secretary."

COMMITTEE ON AGRICULTURE AND FORESTRY STAFF EXPLANATION OF S. 1005 AND S. 1063

S. 1005

This bill would—

1. Permit the Federal Government to issue regulations to prohibit the sale of food items in competition with food served under the National Lunch Act and the Child Nutrition Act.

2. Require the establishment of a national nutrition education program for school children.

S. 1063

This bill would—

1. Authorize a national nutrition education program to be conducted in schools and service institutions.

2. Authorize the State educational agencies to use funds in an amount of up to 2% of the payments under the National School Lunch Act and the Child Nutrition Act of 1966 for State administrative expenses.

3. Permit the schools to use federal funds for school breakfasts to finance any costs of operating a breakfast program rather than just food costs.

4. Establish a minimum payment of 8¢ for school breakfasts, an additional amount of 15¢ for reduced price breakfasts, and an additional amount of 20¢ for each free breakfast. In cases of severe need, payments of up to 45¢ could be made for free breakfasts. Beginning with fiscal year 1975, these minimum breakfast payments would be adjusted to reflect changes in the cost of operating breakfast programs.

5. Increase the membership of the National Advisory Council on child nutrition from 13 to 19 members, one member to be a supervisor of a school lunch program in an urban area, one member to be a supervisor of a school lunch program in a rural area, two members to be parents of school age children, and two members to be secondary school students participating in the School Lunch Program. The Council would continue in existence until terminated by an Act of Congress.

6. Require the Secretary to solicit comments and recommendations of the National Advisory Council on child nutrition and a representative group of state and local school food service administrators and selected lay citizens before publishing regulations to implement the provisions of the School Lunch Act and the Child Nutrition Act of 1966. The Secretary is required to establish a five member group to work with the Department of Agriculture in the development of such regulations that reflect the comments of these groups.

7. Increase the reimbursement under Section 4 of the National School Lunch Act from 8¢ to 10¢ per lunch. Each year, beginning in fiscal year 1975, the minimum Section 4 payment shall reflect changes in the cost of operating school lunch programs.

8. Permit the Secretary to enter into agreement with State educational agencies for the administration of the special food service program for children and to reimburse participating service institutions through state educational agencies.

9. Remove from present law the prohibition against federal regulation to prohibit the sale of foods in competition with food served under Child Nutrition Act and the National School Lunch Act. The bill would provide that additional foods "which make a significant nutritional contribution" may be offered for sale under the management and control of the food service department of the school "to the extent that such offerings are necessary to meet nutritional needs of pupils." Proceeds from such sales must accrue to the food service department of the school.

10. Provide for a performance funding under Section 11 of the National School Lunch Act. Establishes a minimum of 45 cents federal payment for free lunches. For fiscal years subsequent to fiscal year 1974, the minimum payments must reflect changes in the cost of operating the school lunch program. The maximum per lunch payment established by the Secretary for Section 11 assistance shall not be less than 60 cents. In any school in which 85 percent or more of the students are eligible for free or reduced price lunches, all students must be served meals free of charge.

11. In any fiscal year in which the Secretary is unable to spend the amount budgeted and programed for the purchases of commodities, the Secretary must provide cash payments to the states in the amount of the unexpended funds. The determination of the amounts available must be made by February 1 of

each fiscal year and actual distribution must be made no later than March 15.

12. Require the Secretary, in apportioning funds for non-food assistance, to regard those schools which have initiated food service on a temporary and emergency basis as "schools without a food service."

13. Increase the authorization for non-food assistance for fiscal years 1976 and beyond to $40 million from the $20 million figure of present law.

14. Require that a school food authority that operates a school lunch program in one or more public schools under his jurisdiction must operate the program in all schools under his jurisdiction by no later than fiscal year 1975. It provides also that the national School Lunch Program must be extended by September 1, 1975 to all public schools in which children qualify for free or reduced price lunches.

15. Include the trust territory of the Pacific Islands in the School Lunch Program.

16. Authorize the Secretary to make grants to state educational agencies to assist in the supervision of local program operations.

Senator ALLEN. The first witness this morning is Senator McGovern.

Senator McGovern, we are certainly delighted to have you appear before the subcommittee.

The whole Nation is familiar with your interest in proper nutrition for all of our citizens and certainly our school children. We are delighted to have you appear before this subcommittee to give us the benefit of your views on this all-important program.

STATEMENT OF HON. GEORGE S. McGOVERN, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator McGOVERN. Thank you very much, Mr. Chairman.

I want to reciprocate by commending you for scheduling these hearings. I think they are very timely.

I have just returned, as I know you have, from a visit to my State and school administrators, parents, superintendents, students and others that talked to me with great concern about the problem they face, not only on the school lunch program, but on the special milk program.

While this hearing bears directly on the school lunch and school breakfast programs, I am very hopeful that the House and Senate conferees will get together quickly on this special milk appropriation which is tied up on a difference between the House and Senate on agricultural appropriations. I think it is imperative that the Senate conferees stand firm on the adequate figure that is provided by the Senate rather than the totally inadequate amount provided by the House at a time when the cost of food is going up so fast it is just incredible to me that we would in effect knock out the special milk program for our children at this particular juncture.

I am not going to read my entire statement, Mr. Chairman, but I would like to have the entire text made a part of the record.

Senator ALLEN. Without objection, it will be incorporated into the record.

Senator McGOVERN. Mr. Chairman, we have today around 25 million school children participating in the national school lunch program and some 8 million of them receive lunches free or at reduced prices. But I regret to say that our expectations of expanding this program are now being dealt a very serious blow, not only may our forward progress in feeding the children be halted, but much of the progress made heretofore may be reversed.

At this time I would like to submit a report entitled "School Food Program Needs: State School Food Service Directors' Response," a report prepared by the staff of the Select Committee on Nutrition and Human Needs.

Senator **Allen**. Without objection, it will be incorporated into the Committee files.*

Senator **McGovern**. I think that study will be of great value to your hearings because it documents the dramatic and potentially negative impact that rising food prices and costs will have on the school lunch and child nutrition programs unless the Congress acts and acts very quickly. This report was compiled in response to a telegram sent by the select committee staff in late July to all of the State school food service directors requesting current information on this year's programs.

Forty-two States replied to those inquiries, most of them at considerable length and in great detail, urging immediate action by the Congress.

Now, those responses were based on costs as of late July, some of them early August. So given price increases since then, there is no doubt that, in any survey we would conduct today, on September 13, responses would indicate an even greater sense of urgency.

But based on the information at hand this is what we can now conclude. I will just tick off the highlights.

The average cost of producing a school lunch at current costs across the country is a minimum of 61.4 cents with a high of 80 cents to 85 cents and a low of 50 cents. The average cost of producing a breakfast is 30.4 cents with a high of about 45 cents and a low of 10 cents.

The increased cost of a lunch this year is 20 cents to 24 cents in one State, 10 cents to 14 cents in 12 of the States replying, 5 cents to 9 cents increase in 17 States, and less than 5 cents in four of the States.

As a result of these increased costs, 29 States that we know of are increasing their lunch prices by a range of 5 to 10 cents, one or more States by more than 10 cents, and other States by varying amounts, with breakfast prices going up by comparable percentages.

Besides higher costs and prices, the States were asked in this survey what other kinds of ill effects would happen to their program. The answers ranged from decreased participation of paying students and poor students, reduction in quality and variety of meals, and it was reported in 12 States that schools actually may drop completely out of the program.

Mr. Chairman, the impact of these increased prices on program participation nationwide can be predicted based on previous studies conducted on behalf of the Department of Agriculture, but roughly speaking, the Department surveys indicate that for every 1-cent increase—that text is mistaken, it says 1 percent—but for every 1-cent increase in meal costs students drop out at a 1-percent rate. Therefore, at the cost of meals rising an average of 5 cents we may lose as many as 5 percent of those students now paying for their lunches. That translates into about 800,000 students who will no longer benefit from the school lunch program. If the price increase is 10 cents per meal we may lose 10 percent of the paying students and so on down the line.

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*The above-mentioned report is retained in committee files.

Any further expansion of the program to the needy poor will be out of the question.

So the real tragedy of this crisis, Mr. Chairman, is that the impact is going to fall hardest on middle-income working families, lower-income families whose children are not protected by the law entitling the very poorest families to lunches at no cost.

The question we must face is this: Is it fair that several hundreds of thousands of hard-working, low- and middle-income families who already pay more than their fare share of taxes to price their children out of the national school lunch program? The question is as simple as that.

I don't think we can stand by and let that happen, not as long as we have the power to prevent it. For that reason I have joined with Senator Case, along with several of our colleagues, and introduced just yesterday an emergency child nutrition bill. Senator Humphrey has a more far-reaching bill which I heartily endorse, and which, I am sure, he will talk about a little bit later on.

But the emergency bill Senator Case and I introduced yesterday would update the section 4 payment for all lunches from 8 cents to 12 cents by adjusting the payment to meet these increased costs, and we can at least keep some 800,000 children in the school lunch program that I predict will drop out this year in the absence of this legislation or something like it.

At the same time we would authorize States to raise the eligibility level for reduced-price lunches to 25 percent above current levels.

Second, we would update the section 11 payment for free and reduced-price lunches for children from needy families from 40 cents to 46 cents.

Third, we would update the payment for school breakfasts from 5 cents to 8 cents.

Fourth, we would extend the provision enacted earlier this session by Congress providing the States with the cash equivalent of surplus and other commodities that cannot be supplied by the Department of Agriculture due to shortages.

Fifth, we would correct an inadvertent error in the supplemental feeding program for women, infants and children that prohibits participation by some of our most needy Americans, the Indians living on reservations.

Sixth, we would seek to set a target date for completing the President's and Congress commitment for extending the benefits for the child nutrition program to all schoolchildren in the land. We set a target date of September 1, 1976, for that purpose.

Seventh, we attempt to restore the special milk feeding program to what I am sure was the original intent of the Congress.

Mr. Chairman, these concerns, as I have said, need our attention very soon. The bill which I have referred to only covers what we have considered to be emergency matters, but I believe with intelligent planning those of us in Congress could prevent this annual crisis type of thing from occurring so we should begin to legislate so these child nutrition programs could meet their costs in a nondisruptive manner.

It is difficult for the schools to plan this program under the present system when they can't be sure how much money would be made available to them. We can make their jobs and ours easier.

Again, Mr. Chairman, I want to express my appreciation to you for the opportunity to appear, and especially as you have included in your record this up-to-date report from the Select Committee on Nutrition and Human Needs.

Senator **Allen**. Thank you, Senator McGovern.

Do you feel that your bill, 2409, covers only the emergency needs of the nutrition programs in the school lunch program and breakfast?

Senator **McGovern**. Yes. It is designed to meet the situation that faces us right now. It is not as comprehensive a bill as the legislation Senator Humphrey has introduced, which I fully support, but it is an emergency measure that is designed to take care of the situation very promptly that faces us now.

Senator **Allen**. Is it your thought, then, that only the emergency provisions should be acted on at this time and possibly give a little more study to some of the other areas covered by Senator Humphrey's bill?

Senator **McGovern**. Well, if I thought Senator Humphrey's bill would pass today I would say "amen," because it is a good bill.

Senator **Allen**. But your bill might have a little better chance of going through earlier?

Senator **McGovern**. I would gather that would be the case, Mr. Chairman.

One thing that I hope all of us can do is to urge the House and Senate conferees on agricultural appropriations to get together fast before this school year goes any further and hold that conference and work out the differences on the special milk program. That is something we could do this week. I wish they had done it several days ago, because on these smaller school, as you know—and I am sure you have the same situation in your State—their budgets are so strained that when they lose something like the special milk program and they have got to dig around for funds to continue that program, it is a great hardship. I don't know where they do find the money. There is obviously no time to have a school bond election, and it is very difficult for them.

I had probably 35 or 40 school administrators talk to me about that just in the last 2 or 3 weeks. It is a very severe problem.

Senator **Allen**. It is your thought, though, that this should be an intergovernmental cooperative program with local funds taking care of the overhead, the costs of administration, and the Federal Government participating very substantially in the cost of the food?

Senator **McGovern**. Yes. The legislation that I introduced yesterday, Mr. Chairman, doesn't do a thing other than try to keep us where we were last year. That is all it does. I had thought possibly something like that could be moved through rather quickly. I would like to see us reach every school child in this country. But I know we are not going to do that by the end of this month. I am hopeful maybe we can get this legislation moved quickly and at least prevent this erosion of the program that is creating a crisis this school year.

Senator **Allen**. Well, under your bill you would feel that we are just standing still just to maintain the status quo?

Senator **McGovern**. That is correct. It is not really a very dramatic proposal.

Senator **Allen**. Thank you very much.

[The prepared statement of Senator McGovern follows:]

Senator McGOVERN. Before beginning my formal statement, I want to first extend my congratulations and appreciation to you for convening this hearing of the subcommittee. There are millions of school children, parents and administrators across the country who, I am sure, are equally appreciative of your efforts on their behalf.

Mr. Chairman, as both a member of the Senate Committee on Agriculture, and as chairman of the Select Committee on Nutrition, I have watched with deep interest the healthy growth of our child nutrition programs over the past several years.

Indeed, there should be little surprise that this growth has occurred given a strong presidential commitment to providing school children with adequate nutrition and the determination of the Congress to make that commitment a reality by appropriating the necessary funds.

There is no need for me today to repeat the justification for this commitment beyond restating the elementary fact that a hungry child can't learn and a child who cannot learn will never be able to make his own unique contribution to our society.

We have today around 25 million schoolchildren participating in the National School Lunch program, some 8 million of them receiving lunches at free or reduced prices. Moreover, looking to the future, the President and the Congress are committed to extending the benefits of this program to some 17,000 schools and 5 million children who as yet do not have the opportunity to participate because their schools have no programs.

In other words, Mr. Chairman, we have all been looking forward to steady progress in our commitment to eliminate hunger from our classrooms. We look forward to offering each and every one of our school children the best nutrition which this abundant Nation is capable of providing.

Now, Mr. Chairman, I regret to say that our expectations in this area are in danger of being shattered.

Not only may our forward progress in feeding the children be halted, but much of the progress made heretofore may be reversed.

At this time, I would like to submit as an official part of the committee record a report—"school food program needs: State school food service directors' response"—prepared by the staff of the Select Committee on Nutrition.

This report documents the dramatic and potentially negative impact that rising prices and costs will have on the national school lunch and child nutrition programs unless the Congress acts and acts now.

Mr. Chairman, this report was compiled in response to a telegram sent by the Select Committee staff in late July to all the State school food service directors requesting current information on this year's school food service costs, as compared with previous costs, and the effect of these increases on the quality of and participation in the program.

The staff received 42 of these responses, many at length and in great detail, urging action by the Congress. Most of these responses, moreover, were based on costs as of late July or early August. Given price increases since then, I am sure that if the survey was conducted today, the responses would indicate an even greater sense of urgency among child feeding experts across the country.

Based on the information in hand, though, we can state the following with some degree of certainty.

The average cost of producing a school lunch at current costs across the country is a minimum of 61.4 cents, with a high of 80 to 85 cents and a low of 50 cents.

The average cost of producing a breakfast is 30.4 cents, with a high of about 45 cents and a low of about 10 cents.

The increased cost of a lunch this year is 20 to 24 cents in 1 State, 10 to 14 cents in 12 States, 5 to 9 cents in 17 States, and less than 5 cents in only 3 States.

The increased cost of a breakfast is 20 to 24 cents in 1 State, 10 to 14 cents in 1 State, 5 to 9 cents in 8 States and less than 5 cents in 17 States.

As a result of these increased costs, 29 States are increasing their lunch prices by 5 to 10 cents, 1 or more States by more than 10 cents and other States by varying amounts. Breakfast prices are going up by like amounts.

Besides higher costs and prices, the States were asked what other kinds of ill-effects would happen to these programs. The answers ranged from decreased participation of paying students and poor students, reduction in quality and variety of meals and, it was reported in 12 States, schools actually may drop completely out of the program.

Mr. Chairman, the impact of these increased prices on program participation nationwide can be predicted based on previous studies conducted on behalf of the Department of Agriculture. Roughly speaking, the Department's surveys indicate that for every 1 percent increase in meal costs, students drop out at a 1 percent rate.

Therefore, if the costs of meals rise an average of 5 percent, we may lose as many as 5 percent of those students now paying for their lunches. In actual numbers, this means that at least 800,000 students will no longer benefit from the school lunch program. If the price increases 10 cents per meal, we may lose 10 percent of the paying students, and so on down the line.

And, any further expansion of the program to the needy poor will be out of the question.

The real tragedy of this crisis, Mr. Chairman, is that the impact is falling hardest on those low- and middle-income working families whose children are not protected by the law entitling children from the poorest families to lunches at no cost.

This tragedy was expressed most clearly in the response by the program director in the State of Missouri who said:

> History has told us that each time we have an increase in the charge for lunches it has the effect of pricing a number of the middle and lower middle income children out of the program. This is the very group that has represented our major participants in the expansion and growth of the program over the past 28 years. At the same time we should be reminded that the middle and lower middle income families represent the largest segment of our tax paying population that are contributing toward sustaining the availability of free lunches for needy children. In many, many instances there is very little difference between the income of these families and those declared to be eligible for free lunches under federally mandated policy regulations. These are the families that are most drastically affected by inflation. Without their continued participation and contributions, we would seriously question the logic in continuing to operate school food service programs strictly for the needy who are guaranteed free lunches by our Federal Government.

Frankly, Mr. Chairman, I believe these feeding programs are being put in an intolerable situation. I believe these low- and middle-income families are being put in an intolerable situation.

The question we must face is this: Is it fair to hundreds of thousands of hard-working low- and middle-income families, who already pay more than their fair share of taxes, to price their children out of national school lunch, a program for which those very taxes are used?

I don't think we can stand by and let that happen. Not as long as we have the power to prevent it.

For that reason, Senator Case and I, along with several of our colleagues, introduced just yesterday an emergency child nutrition bill. This bill seeks to remedy the situation in the following ways.

First, we would update the sec. 4 payment for all lunches from 8 to 12 cents. The evidence and cost figures supplied by the States in the Nutrition Committee report justifies this update.

By adjusting these payments to meet cost increases, we can keep those 800,000 children in the school lunch program.

At the same time, we would authorize States to raise the eligibility level for reduced price lunches 25 percent above current levels. This is intended especially for high cost urban areas to assist thousands of low and middle-income families. The upper level in these areas for such reduced price lunches would thereby be updated from $6,375 to $7,437.

Second, we would update the section 11 payment for free and reduced price lunches for children from needy families from 40 to 45 cents. This is essential if local school districts are not to go broke while living up to their responsibilities to feed the hungry. It is also essential to assure the nutritional quality we expect in our feeding programs.

Third, we would update the payment for school breakfasts from 5 to 8 cents on a national average, to 15 cents on a reduced price basis and 20 cents on a free basis. The breakfast program is now on a financial edge with many schools who run programs debating whether to continue them, and few schools willing to undertake new programs.

Fourth, we would extend the provision enacted earlier this session by Congress providing the States with the cash equivalent of surplus and other commodities that cannot be supplied by the Agriculture Department due to shortages.

Fifth, we would correct an inadvertent error in the language of the new supplemental feeding program for women, infants and children that prohibits participation by our most needy Americans—Indians living on reservations. Having recently held a hearing on the largest reservation in my State, I know how desperately needed is this new program to fight infant malnutrition and high mortality rates.

Sixth, we would seek to set a target date for completing the President's and Congress' commitment to extend the benefits of child nutrition programs to all school children in the land. As yet, there are some 5 million children attending 17,000 schools denied these nutrition opportunities because their schools have no programs, primarily because they have no equipment.

We have set a target date of September 1, 1976, approximately 3 years from now, to reach these children in these schools and to truly make this a national school lunch program. Such an achievement would be a most fitting contribution to the country's bicentennial year.

Seventh—and we consider this especially important—we seek to reemphasize congressional intent regarding the special milk porgram. We beileve that the Department of Agriculture, under pressure from the Office of Management and Budget, has issued restrictive regulations for this program that violate the Congress' purpose.

This may make budgetary sense to OMB, but it makes no nutritional or educational sense to hungry children and harrassed school officials around the Nation.

This bill contains measures that will cost more than the administration has requested for fiscal year 1974. However, each increase only represents an attempt to hold the line, to keep our child nutrition programs functioning at their current, not an expanded, level.

Every American family has felt the pinch from food costs that have risen 20 percent and more in recent weeks. Families have had to reach into other areas of their budgets just to keep their food supply at last year's level.

If we consider our children to be our most vital resource, and wish not to shirk the legislative repsonsibility we've assumed to supply them with nutritious food, then passage of this emergency bill is a must.

Senator Humphrey's more inclusive bill, S. 1063, contains sections of the highest importance. Funds for nutrition education and State administrative expenses must be considered this year and passed if the total integrity of these vital programs is to be maintained.

The new but very promising women, infant, and children program needs to be strengthened and expanded and Senator Humphrey's amendment in this area is crucial.

So is Senator Case's bill, S. 1005, which will prohibit the sale of junk vended foods in schools participating in the school lunch program. Earlier hearings held by the Nutrition Committee show the fiscal and nutritional damage these foods can do to the program, and thereby, to our children.

These concerns need your attention very soon. Our bill only covers what we consider to be those emergency matters that have already hurt the program substantially and cannot wait.

I believe with intelligent planning those of us in Congress could prevent this annual "crisis" type of hearing from occurring. We should begin to legislate so that these child nutrition programs can meet their costs each year in a nondisruptive manner. It is difficult for schools to plan their nutrition programs under the present system, when they cannot be sure, year to year, how much money will be made available to them. We could make their job and ours easier by providing funds according to their needs as seen over a long range period.

Senator McGOVERN. Thanks to you, Mr. Chairman.

Senator ALLEN. Senator Humphrey, we are delighted to have you appear before the subcommittee. We are all conscious and appreciative of the very fine work you have done in committee and on the floor and in drafting legislation, in being one of the chief proponents of nutrition programs for the needy, for school children, for the hungry. We certainly appreciate your leadership in this field, and we are delighted that you have come forward with a bill which can be used as a vehicle for carrying out the views of the subcommittee and the full committee as expressed to them by our constituents throughout the Nation.

We appreciate you being here and look forward to hearing your testimony.

STATEMENT OF HON. HUBERT H. HUMPHREY, A U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator HUMPHREY. Thank you very much.

Senator Allen, may I say first, that I introduced my bill S. 1063 on May 1, 1973. It is a bill that goes somewhat further than the emergency bill passed by the House which also is now before us. Both of them have the same purpose, and I know that this subcommittee is trying to get early action. The important thing is to get action, and I shall address myself to that.

I spent the month of August, as many of our colleagues did, in my home State. I met there with the representatives of the food services division of our school systems on a statewide basis, as well as in some instances, with individual localities. As a result of those meetings, I wrote to the chairman, Senator Talmadge, and urged that he proceed with these emergency hearings. I knew that you already were in support of moving ahead with them and I just want to be on record as encouraging the prompt action, which you have readily undertaken.

Now, Mr. Chairman, each year for the past 4 years, as we know, the Senate Committee on Agriculture and Forestry has been called on for help by the Nation's school children, the school systems and the school food service workers who serve these children.

One year the problem was to prevent the administration from cutting funds for lunches for the needy, the poor children.

Another year the problem was to prevent the summer lunch program from being cut back.

Last March we learned that a pledge by the administration to supply food commodities for lunch programs was either delayed or not being kept. We had to get the Congress to order the administration to make good on the pledge and to distribute to schools the funds which had not been spent. I introduced that amendment in the Senate.

Each time the committee here has responded. Each time the Congress has responded to these calls.

We have increased the level of Federal support for school lunches by raising the reimbursement levels in the national school lunch program for all meals, including those served to children whose parents are poor.

We have directed that nutritional services for children in activities outside the schools, such as summer recreation programs, be expanded.

In all of these, might I say, our colleague, Senator McGovern, who is chairman of the Nutrition Committee, has been a prime mover, as has our distinguished chairman, Senator Talmadge, and you, sir. I don't think we have had any basic difference as to what needs to be done. It is just finding the system we ought to have to keep the funds for this system equal to the demands and needs.

We have initiated new programs to close the gaps in nutritional services, such as the special supplemental program for infants, mothers, and young children.

Might I add, my State has just put on a statewide broadcast on what is called prescription food for the supplemental feeding program for infants, women, and children. It was sensational. It has received the most laudatory commentary. I was one of the participants on that program. The interest in the program is very strong and a number of applications already have been filed. I know from the city of St. Paul, Minneapolis, and from the Childrens' Health Service, and so forth, already have filed applications to participate in this program. You may recall this program concept already has been tested in Memphis at St. Jude's Hospital, the Ford Hospital in Dearborn and over here in Baltimore. All of these efforts have demonstrated the genuine merit of this program.

What evidence I have seen clearly demonstrates that infants—whether in the prenatal, postnatal, or first year of life—must be provided with essential nutrients in order for their minds and bodies to properly develop during such formative periods. There are all kinds of medical studies available today which indicate the health of that child is dependent upon the food that a mother takes during pregnancy, and the first year or two after birth.

We had doctors from the Mayo clinic, from the University of Minnesota medical school, and people from all around the Nation who testified as to what this special supplemental food program could do for the infants in terms of health, emotional stability, and in the prevention of disease in later years of life.

It is really the wisest investment any country could make. Congress already has authorized and appropriated for it on a pilot program basis.

Senator ALLEN. Actually, that was your amendment on the floor of the Senate and here in committee?

Senator HUMPHREY. Yes; and I believe it will prove itself to be a most worthwhile program at least from the testimony of the experts.

But here is the problem that we face again which affects all of us; namely, inflation in food costs, which has been very high this past year. There has been a 30-percent increase in food costs in the last year, and there has been a 50-percent increase in wholesale food costs. All of these affect not only the individual shopper, housewife, and family, but the schools and the school lunch program.

Runaway inflation in food has largely wiped out the improvements that we legislated in past years. Lunch costs in schools are rising in the rural areas, increases as much as 15 cents per meal, and the cost of producing a meal in urban schools has risen as much as 30 cents in some areas; that is, in some of the larger cities. Out my way the increase in costs are running from 8 to 12 cents. In some of the bigger cities I was told it is running from 18 to 20 cents. The price of a school lunch is going up. We can say that such a response is normal, but again as Senator McGovern noted, you price some of them right out of the market. You can actually injure—you can actually remove schoolchildren from the school lunch program by these continued increases in price.

The consequence will be that many children will be forced out of these programs, denied a lunch because of the administration's policies in controlling inflation.

School administrators in Minnesota are telling me frankly that they are unable to get firm bids by wholesalers on future food deliveries. I met with all the top people, and that was their conclusion. They also told me that increased prices of commodities are causing serious difficulties with school budgets.

This becomes a critical problem when we consider the fact that for children of lower income families a good meal at school is crucial to their receiving adequate daily nourishment.

I don't want to overdo the case, Mr. Chairman, but you and others know so well, and you have demonstrated it again and again by your concern, that one good nutritional meal a day for a child in school may be the difference between success and failure, disease and health and emotional stability or instability.

We have had before this committee amazing testimony as to what can happen with the school breakfast program and the school lunch program in terms of eliminating school dropouts or reducing them sharply, and more impressive, improving the learning ability of the child. The school lunch program has not only the effect of improving the health of the child, but also of meeting so many needs in that child's physical and psychic makeup.

Now, I don't believe that the Nation's school children should be asked to accept malnutrition as the price for the inability of the Government or the administration to cope with the Nation's economic problems, not as long as Congress can provide other more realistic and human options.

The legislation which I have introduced, S. 1063, and which I am further amending today, will reach the immediate need to maintain a low-cost lunch program and in addition will address other essential problems. In other words, the amendments I have introduced are similar to the emergency program that Senator McGovern has presented, but I go a little bit further.

Foremost among these is the need to extend and enlarge the supplemental nutrition program for women, infants, and children. The Congress adopted this program which the administration opposed. This opposition unfortunately, continued even after funds were mandated by Congress—which mandate has prevented the administration from strangling this program altogether.

I have to say to my friends from the Department of Agriculture, you have no right to do that whatsoever. I had you before a Committee, some of you, before the Committee on Consumer Economics of the Joint Economic Committee.

Now, in 25 court cases 24 times the courts have held you have no right to impound funds appropriated by the Congress of the United States. If we want cooperation between the Executive and Congress there is one way to get it, follow the law, that assures you good cooperation. In this instance I consider it immoral, unkind, absolutely incredible that a program that which would cost $20 million a year for 2 years for feeding low-income women, infants, and children needing nutritional supplements, would be held up by the Department of Agriculture. I lay it right on the line. I hope there will be no more of that monkey business, because if there is we are going back to court again with a different kind of action. No man has a right to disobey the laws of this land, particularly if he is in public office.

Now, the delay has consumed more than half the projected life of this program for women, infants, and children. Almost 200 communities have asked for it, and these requests alone would require about $80 million to fund. The need is evident and the demand is there. The medical evidence, as to its worth, is beyond question.

Thus, I urge this committee to act favorably and promptly on S. 1063, as amended. The bill will make the following improvements:

It will increase the present rate of reimbursement for all lunches from the present 8 cents a meal to 12 cents, which is what Senator McGovern's bill recommends. Meals for needy children would be reimbursed 45 cents or 5 cents more than they are at present.

School breakfasts reimbursements would increase from 15 to 20 cents for meals served free to needy children and all breakfasts would be reimbursed from 8 cents up from 5 cents.

Any USDA funds budgeted for purposes of commodities for school lunch services would be directed to schools if they are not obligated for purposes intended.

The women, infants, and children feeding program would be extended through June, 1975, and would be funded at a $40 million level in fiscal year 1975, and would be clearly available on Indian reservations.

In addition my bill, would authorize an escalator clause to adjust Federal support for school meals based upon the rising costs of serving a school lunch.

Responsibility for all food services should rest with those in the school system who look after it. You don't let the janitor fill the teeth or the coach be the doctor, and we ought not permit some kind of machine out in the hallway to be the expert. We ought to have these school lunch programs run by someone who understands dietary needs.

My bill would increase the administrative support for States and school districts and authorize a nutrition education program.

Mr. Chairman, all of the people who attended the televised seminar I mentioned earlier—doctors, nutritionists, people in the field of pediatrics—asked for a child nutrition education program. They said this is terribly important to start a program of this type within the school system itself.

My bill would also specify that students and parents must be included in the USDA's National Advisory Council on School Lunch Programs.

These are not far reaching. I think most of them will tend to meet the immediate needs. They include an escalator clause authorization of a nutrition education program, and increasing administrative support for districts. We already provide some support.

Changing the National Advisory Council on Lunch Programs would merely include putting students and parents on it so you will get to the people who are primarily concerned. In addition there are a number of technical amendments such as specifying standards for certifying school eligibility for free and reduced price lunches.

Much to my disappointment, the USDA recently came up with a new definition of schools. This definition did not add to public understanding, but it did allow the USDA to all but eliminate the school milk program. I want to say right now, Mr. Chairman, we will not eliminate the milk program. I don't know who it is over in OMB who is against the milk and children. As long as I have been in Congress there has been somebody in that office who wants to get rid of the school milk program. They tried it with Eisenhower, Kennedy, and Johnson. For some reason they have shown their bipartisan stupidity by submitting such a recommendation to Congress. I think we ought to have a search committee to find out who in OMB keeps pushing this idea.

Senator DOLE. Maybe they don't like milk.

Senator HUMPHREY. Something is wrong.

But I look at my distinguished friend from North Dakota who has been on this committee since 1949, and I can't remember a single time when we haven't had to fight for milk.

Senator YOUNG. I have been on the committee since 1945.

Senator HUMPHREY. Isn't this true? We have had to fight?

Senator YOUNG. We have one coming up now.

Senator HUMPHREY. We have a doozy coming up now.

Senator YOUNG. The Senate put in $97 million for the special milk program largely because of your efforts. The House only has $25 million for the same. The conferees meet next Monday, and we will have a battle to try to keep the $97 million. I don't know a time that is more important as now, because the school lunch programs are in trouble. They don't have the special milk programs any more, prices have gone up, and they need more help and not less, and certainly milk is the most perfect food of all.

Senator HUMPHREY. Thank God you're on the committee because there isn't a better friend to the farmers and children than the distinguished Senator from North Dakota, and I don't have a better friend in Congress, I might add.

Senator YOUNG. Neither have I.

Senator HUMPHREY. My proposal, S. 1063 addresses the school milk problem and serves notice that Congress establishes a policy of nutrition education. I guess that is about as direct as I can get. It is reported that about 40 million children either may not get milk or will suffer reduction in milk supply as a result of recent USDA decisions regarding that program. Under this program the Federal Government has paid an average of 3 cents for a half pint of milk. Last year these cartons of milk cost an average of 5 cents. But this year they are expected to cost from 8 to 10 cents with the student being expected to pay the full amount. For children of poor and near-poor families already having difficulty providing milk at home, this is simply false economy.

The administration requested only $25 million for the school milk program for the current fiscal year. The Senate action in July raised this amount to $97 million—and I think it was unanimous—and that would at least assure that funding is restored to last year's level. I have urged Senate and House conferees working on the agricultural appropriations bill to complete action as soon as possible and to accept the Senate funding level. It merely retains the program at last year's level.

Unless the school milk policy is reversed Congress will take action. In this case I am hopeful that the matter can be settled by the Appropriations Committee and not require the Congress to divert its attention from other issues that need to be handled and worked on here.

For these reasons I urge the committee to consider favorably the main features of my bill. I repeat, many of those are identical to what is in the House-proposed emergency legislation. Some of them go further such as the escalator clause, the administrative support and expanding the membership of the Advisory Council.

The school year has begun, the effect of higher lunch prices already are apparent in the hundreds of thousands of children who are beginning to be denied a nutritious, well-balanced meal.

Congressional action can now minimize this deprivation and begin building a stronger, more adequate program for tomorrow.

I have submitted a list of amendments, to my own original bill because it was first introduced in March and the situation today is considerably different from what it was then.

We have to get some action. Many of our schools in Minnesota opened the last week of August, so they have already been in session 3 to 4 weeks. Many of those schools have sent notices to the Department of Education of our State that their budgets are in serious difficulty on school lunch programs because of the lack of adequate compensation or reimbursement at the Federal level.

So I know you are going to get this bill out soon, and I am going to do everything I can to help.

Senator Allen. Thank you very much, Senator Humphrey.

I wonder if we might have unanimous consent that, though no notice was given in hearing on Senator McGovern's bill, S. 2409, that it be considered that the hearing applies to that bill as well. It is strictly an emergency measure that does not have all of the provisions that Senator Humphrey's bill has. If there is no objection the hearing will apply to that bill as well.

Senator Humphrey. Mr. Chairman, let me say I have no pride of authorship in my bill at all. We can piece these bills together so that our final bill meets the needs and improvements requested.

Senator Allen. The thought is the measures needed to alleviate hardships be decided at this time, and possibly at a later date some of the reform measures might be considered. That would be what I would have in mind.

Senator Humphrey. I don't want to be behind times, Mr. Chairman. I just want to call it the growth of such a marvelous program to which you have given such marvelous leadership.

Senator Allen. I believe it could be called growth.

Senator Humphrey. With the farm prices remaining high the cost of the farm program will be practically zero in the future. So in that instance we can expect a substantial saving in what would be the normal expenditures. Therefore, the modest increases in these school lunch programs are minor offsets on the budget. The contemplated budget this year for the Department of Agriculture ought to be less in terms of outlay than was proposed because of the good crops, because of the good prices we have had.

Senator Allen. Senator Humphrey, you have made some comments about administration policy, and I am going to give Secretary Yeutter an opportunity to respond to those comments, also what you said, if he would like to obtain a statement from the Secretary in response to some of our comments, that that statement might be submitted for the record. Would there be any objection to that?

Senator Humphrey. No. I just hope to say he is going to repair his ways. It is said in the best of good fellowship.

Senator Allen. I am sure you will be glad to wait and hear his comments.

Are there questions by members, Senator Dole, Senator Young?

Senator Young. I will have to leave pretty soon for a very important Appropriations Committee, but I will stay as long as I can.

Mr. Chairman, I believe we should take action as early as possible on these bills. Something has to be done soon to help the school lunch program.

Senator Humphrey. I present the other amendments to my bill.

Senator Allen. The amendments will be incorporated in the record.

[The amendments referred to above follow:]

Amendments Proposed to S. 1063 by Senator Humphrey

1. Increase the rate of reimbursement for section 4 lunches from 10 cents to 12 cents.
2. Conform the language regarding donated commodities to the language contained in H.R. 9639.
3. Extend the Special Supplemental Food Program through 1975, require that the Secretary use section 32 funds to fund the program at the authorized level if funds are not appropriated by August 1 of each year, and increase the authorization to $40,000,000 for fiscal year 1975.
4. Permit the Secretary to make cash grants to Indian tribal groups under the Special Supplemental Food Program.
5. Provide any school or non-profit child care institution with Special Milk Program that requests it.
6. Various technical amendments designed to conform S. 1063 with House Committee bill H.R. 9639.

Senator Allen. I am sure there is no disposition on the part of anyone withholding a measure, submitting it back to the full committee. Senator Clark.

Senator Clark. I have a brief statement.

Senator Allen. Excuse me just a moment until we finish with Senator Humphrey.

Let me suggest at 1:30 we have set a vote, action on the bill by Senator Griffin, having to do with the standards for sausage, and hot dogs, and so forth, the Michigan bill, so-called. We would like to take action one way or another on that measure or decide to take no action as the committee may decide in its wisdom. We have held extensive hearings on it and I feel I have the obligation of getting some sort of action by the full committee than to merely sit on the bill. So at 1:30 I believe it was announced—all Senators——

Senator Dole. At precisely 1:30—I have a plane to catch at Dulles.

Senator Humphrey. You cancel that meeting. It will just cause me trouble.

Senator Dole. If there is no quorum we will still have it on a later date.

STATEMENT OF HON. DICK CLARK, A U.S. SENATOR FROM THE STATE OF IOWA

Senator Clark. I would like to present some very brief comments in support of S. 1063, particularly as it would affect children in the State of Iowa and, by extension, children in the Nation as a whole.

Much of what I have to say is centered around data from my State, but I think it is a very typical State and has application to the other 49 as well.

The committee is well aware of numerous conditions that have affected food prices—abnormal weather during the 1972 fall harvest, strong export demands, high prices for livestock. Price freeze, and others.

The committee is also well aware of estimates that consumers have been eating less livestock-related meat and apparently are turning more to cheese, fish, and fruits.

Now that the price ceiling has been lifted on beef, the trend that food prices will take remains to be seen.

Mr. Vern Carpenter, State school food services director in the Iowa Department of Public Instruction, has compiled certain charts and tables which I would like to briefly summarize for the committee today and ask that this data be made a part of the record in its complete form.

Projecting a 20-percent increase in food costs, a 15-percent increase in labor costs, and a 3-percent increase in extra expenses and applying these projections on a cost-per-meal basis, we can anticipate an 8 cent-per-meal increase this year in our State.

The question is, where does this extra and needed 8 cents come from?

There are several sources of funds for the school lunch program—the Federal Government, State government, and those amounts nonneedy children pay for their lunches. To make up the extra 8 cents still needed to serve a meal, a number of school districts in Iowa this fall have raised the price of lunches to the paying child 5 cents, and in a few instances, 10 cents. Without additional Federal reimbursement, student prices may have to be raised again. The potential danger is, of course, the fact that when student lunch prices are raised, student participation drops. This drop has been charted from past experience to be from 10 to 20 percent. Needless to say, without adequate participation from paying children, the cost of providing reduced price and free lunches would be much higher.

Let me just project the income realized from a 5-cent student lunch price increase, which comes, naturally, only from the paying child. Last year, Iowa served 15.8 percent free and reduced-price lunches. Almost all of this—96.8 percent—were free rather than reduced-priced lunches. If every school in Iowa raised their student lunch prices 5-cents, and if the participation level of paying children remained 85 percent, the average amount received would be 4 cents—still 4 cents short of the 8-cent goal. This projection is based upon the assumption that the participation levels and the number of free and reduced-price lunches remain constant. However, I might mention two factors that may have an influence on participation. First, the income poverty guidelines were raised this school year, and indications are the number of free and reduced-price lunches are likely to increase rather than remain stable. Secondly, there is the attitude of many that wage increases have not kept pace with the cost of living, which may result in more families applying for reduced-price lunches.

Mr. Chairman, although I have cited figures here in terms of my own home State, I have every reason to believe Iowa is representative of the situation in other States. For this reason, I believe the reimbursement rates under section 4 of the National School Lunch Act should be raised from the present 8 cents to 12 cents, retroactive to the opening of school.

Another point I wish to call to your attention involves the situation of free lunches. This school year in Iowa the projected cost per lunch will average 70.25 cents. Iowa contributes 4.26 cents per free lunch; the Federal Government 48 cents, for a total of 52.26 cents. The remaining 18 cents is made possible by the participation of the paying child.

Under Federal regulations, a school must serve free and reduced-price lunches to economically needy children. I highly concur with this philosophy. Federal regulations also set a maximum of 48 cents Federal reimbursement on a free lunch, except in especially needy schools, where a maximum of 60 cents Federal and State reimbursement applies. While the Federal limits of 48 cents and 60 cents may have been more realistic last year, inflationary pressures do affect the situation in the present school year. Records show it costs more than an average of 60 cents to prepare and serve a free lunch, regardless of which school it is served in.

It seems to me that this committee should strongly consider raising this 60-cent maximum to a more realistic 70 cents. Further, we might consider removing the 48-cent maximum as well to permit a 70-cent maximum on all free lunches.

I believe a hungry, needy child is a hungry, needy child whether he is the only one in a school or whether he is one of a great number.

Individual food prices and total menu food costs were surveyed in four school districts in Iowa, all of which have capable school food service directors who observe excellent management practices. These increased costs are tabulated for your throughtful consideration.

In closing, tables showing the present status and relative status of school lunch cash balances in Iowa's school districts is included. In general, cash balances on July 1, 1973, are lower than a year ago. Approximately 53 percent of Iowa's districts started this school year with a cash balance of less than 1 month and approximately 12 percent started with a deficit balance. Mr. Chairman, immediate action is badly needed.

Thank you.

[The tables follow:]

I. Projected Increases in Iowa's Federal Meal Costs:

Actual expenditures for 1972–73 school year were:

Food	$19, 169, 272
Labor	12, 657, 256
Other	2, 567, 437
Total	34, 393, 965

Projections for expenditures for 1973–74 School year:

Food (20% increase)	$3, 833, 854
Labor (15% increase)	1, 898, 588
Other (37% increase)	77, 023
Total	5, 809, 465
Less increased amount of State reimbursement	457, 912
Amount needed	5, 351, 553

Total projected increase in expenditures of $5,351,553 divided by the estimated number of lunches to be served (69,000,000)—7.76 cents per lunch increase.

II. COMPARISON (CHILDREN AND ADULT LUNCHES)

	School year (cents)		Cents increase or decrease	Percent increase or decrease
	1971–72	1972–73		
Food	24.14	27.70	+3.56	15
Labor	17.25	18.29	+1.04	6
Other	3.59	3.71	+.12	3
Subtotal	44.98	49.70	+4.72	70
Indirect costs	10.88	12.16	+1.28	12
Total	55.86	61.86	+6.00	+11

III.—PROJECTED INCREASE IN PER MEAL COSTS DURING 1973–74

	School year 1972–73 (cents)	Projected percentage increase	Projected cost 1973–74 (cents)	Projected percent increase in total cost of lunch
Food	27.70	20	33.24	
Labor	18.29	15	21.03	
Other	3.71	3	3.82	
Subtotal	49.70		58.09	17
Indirect costs	12.16	0	12.16	
Total	61.86		70.25	17

IV.—FEDERAL AND STATE REIMBURSEMENTS IN IOWA FOR 1973–74

	Federal	State	Total
Type A lunch	$0.08	$0.0070	$0.0870
Free lunch	.40	.0356	.4356+$0.0870=$0.5226
Reduced price lunch	.20	.0180	.2180+ .0870= .3050

Note: The value of Government commodities is not included.

V. Project cost of preparing and serving a free lunch	$0.7025
Minus total Federal and State reimbursement	—.5226
Loss per free lunch	.1799

VI.—CASH BALANCES

Year	Total districts	Percent having 2 month's or more	Percent having 1 month or more	Percent having 0 to 1 month	Percent having deficit
1968–69	466	4.29	23.61	57.51	14.59
1969–70	477	4.61	20.34	60.17	14.88
1970–71	473	4.65	13.95	56.03	25.37
1971–72	465	10.97	28.82	57.82	2.37
1972–73	466	8.80	25.32	53.86	12.02

It can be seen from the above that cash balances have decreased during this past school year. In summary, 53.86 percent of Iowa's school districts started this school year with a cash balance of less than one month and 12.02 percent started with deficit balances.

VII. Four community school districts in Iowa were surveyed to obtain increases experienced in food costs. These four districts have capable school food service directors and all observe excellent management practices.

INCREASE IN MENU COSTS

This represents only food costs—not labor and other costs. These are actual figures. These are not estimates nor projections.

WATERLOO

[Cost in cents]

Main dish	Menu cost (food)				
	September 1972	December 1972	May 1973	Percent increase for year	September 1973
Beefburger	30.7	31.1	33.0	7.5	(1)
Fish square	29.7	30.0	34.2	15.2	34.8
SIOUX CITY					
Beefburger	26.0	29.0	32.3	24.2	34.3
Hotdog	24.0	29.7	33.4	39.2	36.7
Chili	27.0	30.1	32.7	21.1	38.7
Fish square	29.0	32.0	(1)	------------	41.1
CEDAR RAPIDS					
Beefburger	26.2	26.5	28.4	8.4	33.1
Macaroni and cheese	24.9	25.5	25.5	2.4	30.0
Hotdog	19.5	19.7	20.5	5.1	30.7
Chili	22.6	22.8	23.7	4.9	29.9
Fish square	20.5	20.5	20.5	0	21.6
DES MOINES					
Beefburger	29.0	31.5	33.0	13.8	38.6
Macaroni and cheese	23.5	24.6	24.6	4.7	29.8
Hotdog	29.0	29.0	31.0	6.9	35.3
Chili	27.1	27.1	31.0	14.4	30.8
Fish square	31.0	31.0	31.0	0	36.3

[1] Not served.

VIII.—INCREASES IN FOOD COSTS. (ACTUAL)

Foods	Purchased foods			
	September 1972	May 1973	September 1973	Percent increase May to September
WATERLOO				
Ground beef	$0.65	$0.79	(1)	------------
Franks 8 to 1 pound	.69	.66	$1.16	68.1
½ pint whole milk, white	.62	.062	.066	6.5
Sliced white bread, per pound	.13	.13	14.7	13.1
No. 10 green beans	.90	1.12	1.12	24.4
No. 10 tomato paste	1.65	1.75	1.95	18.2
Spaghetti, per pound	.21	.20	.31	47.6
Processed American cheese	.64	.81	.84	31.3
Grade A large eggs, per dozen	.42	.58	.76	81.0
No. 10 instant potatoes	1.96	2.15	2.33	18.9
No. 10 white kernal corn	.97	1.07	1.14	18.8
No. 10 fruit cocktail	1.49	1.75	1.91	28.2

VIII.—INCREASES IN FOOD COSTS. (ACTUAL)—Continued

Foods	Purchased foods			
	September 1972	May 1973	September 1973	Percent increase May to September
SIOUX CITY				
Ground beef	.605	.78	.98	62.0
Franks 8 to 1 pound	.56	.72	.83	48.2
½ pint whole milk, white	.066	.066	.075	13.6
Sliced white bread, per pound	.34	.35	.37	8.8
No. 10 green beans	36.6	86.5	96.5	11.6
No. 10 tomato paste	1.46	1.65	1.56	6.8
Spaghetti, per pound	16.5	23.8	21.8	32.1
Processed American cheese	(1)	(1)	(1)	------------
Dried eggs, per pound	.58	1.09	1.54	165.5
No. 10 instant potatoes	1.80	1.80	2.06	14.4
No. 10 white kernal corn	.93	.93	.969	3.8
No. 10 fruit cocktail	1.30	1.40	(1)	------------
CEDAR RAPIDS				
Ground beef	.72	.84	.98	36.1
Franks 8 to 1 pound	.68	.79	1.15	69.1
½ pint whole milk, white	.0625	.0625	.0637	1.9
Sliced white bread, per pound	.21	.21	.24	14.3
No. 10 green beans	80.8	(2)	(2)	------------
No. 10 tomato paste	1.58	(2)	(2)	------------
Spaghetti, per pound	19.8	22.3	23.5	18.7
Processed American cheese	.631	.68	.80	26.8
Grade A large eggs, per dozen	.37	.51	.84	127.0
No. 10 instant potatoes	1.875	(2)	(2)	------------
No. 10 white kernel corn	.85	(2)	(2)	------------
No. 10 fruit cocktail	1.145	(2)	(2)	------------
DES MOINES				
Ground beef	.625	.81	(1)	------------
Franks 8 to 1 pound	.67	.74	1.06	58.2
½ pint whole milk, white	.0645	.0645	.072	11.6
Sliced white bread, per pound	.23	.23	.25	8.7
No. 10 green beans	79.5	85.8	85.8	7.9
No. 10 tomato paste	1.53	1.63	1.72	12.4
Spaghetti, per pound	.18	.203	.253	40.6
Processed American cheese	.66	70.6	70.6	7.0
Grade A large eggs, per dozen	.41	.41	.50	22.0
No. 10 instant potatoes	1.76	1.75	1.75	.6
No. 10 white kernel corn	.875	.817	.958	9.5
No. 10 fruit cocktail	1.52	1.64	1.64	7.9

[1] No bid.

[2] None purchased.

Senator Allen. Thank you very much, Senator Clark.

That 48-cent figure of Federal Government, wouldn't that be 55, taking into account the—on the commodity—8 cents on all lunches whether free or not. 40 cents plus 7 cents in commodities or the cash equivalent? It would be 55 cents, I believe.

Senator Humphrey. That is correct.

Senator Allen. Under present law.

Any questions, Senator Young?

Thank you very much.

Secretary Yeutter, you are the next witness. I believe. We will be delighted to hear from you and, as I suggested, Senator Humphrey will be delighted for you to comment on his statements and questions about Administration policy on some of the nutrition programs. We look forward to hearing your testimony.

Senator Humphrey. Mr. Chairman, before the Secretary starts, I would hope that he might be able to give us a listing of the applicants that have submitted their applications for the WIC program, the women, infants, and children's feeding program. I would like to get that today. It will be very important for our testimony.

STATEMENT OF HON. CLAYTON YEUTTER, ASSISTANT SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Mr. YEUTTER. Senator Allen, I have a prepared statement, but in the interest of time and for the convenience of everybody, I will be happy to summarize.

Senator ALLEN. It is up to you, Mr. Secretary. We have plenty of time. We will be delighted to hear your full statement plus any comments. It is entirely up to you.

Mr. YEUTTER. Why don't I just summarize and put the statement in the record. I will, of course, stand behind what is in the statement, too. I can comment point by point and it might be easier.

Senator Humphrey, just in case you might have to leave before we finish here, perhaps I could appropriately comment on a couple of the questions you raised immediately, the first being the WIC program.

I think of particular interest to you will be the fact that in my prepared statement at the very end there are a couple of paragraphs in which I have suggested to the committee that the so-called WIC program, women, infants, and children, be extended through June 30, 1975. It seems to me that that is most appropriate. As you know from our colloquy last spring, we had some concern at that time as to whether a 6-month evaluation period would be adequate, which would be all that would be possible if the program were to terminate June 30, 1974 as presently provided in the law.

The counsel from our medical advisers at that time was that 6 months would be a bare minimum, that it would obviously be better if the program could extend beyond 6 months. In my personal judgment, although I am not a physician, a 6-month medical evaluation is not very much time to get the impact—to determine the impact of nutritional improvements during that short a feeding period. So we have recommended to you, Senator Allen, and to the subcommittee that you might amend this legislation to authorize that particular supplemental feeding program through June 30, 1975, which if necessary, would provide for an 18-month feeding period and the evaluation to be made during that 18-month period.

Senator HUMPHREY. You are extending it without asking for any increase in the authorization?

Mr. YEUTTER. Yes. At least at this point. It seems to me, Senator Humphrey, that we need to evaluate all the applications before we can make a definite decision or draw a definite conclusion as to what the fiscal needs are. At least the present fiscal commitment certainly is adequate in our judgment to provide the medical evaluation required. In other words, it will be a sample of people fed and medically evaluated to get the nutritional evaluation that is required.

The question beyond that, obviously, is, should the feeding program itself, the feeding aspects be extended beyond the present appropriation. As you know, the cost of the applications we have received obviously exceeds the present appropriation. This assumes all those applications are legitimate in the sense that they meet the criteria for evaluation.

Senator HUMPHREY. Well, now we had $20 million per year for 2 years of the original program.

Mr. YEUTTER. Yes.

Senator HUMPHREY. The first year just went by, sort of faded into oblivion without the administration taking any action to implement the program.

Mr. YEUTTER. Yes.

Senator HUMPHREY. So there is still $40 million left.

Mr. YEUTTER. Yes.

Senator HUMPHREY. Are you prepared to go along with the $40 million for fiscal 1975?

Mr. YEUTTER. At this point.

Hopefully we will have these applications evaluated very soon. We are in the middle of evaluating applications now. As you may know, I announced the first project in San Diego just last week.

Senator HUMPHREY. You should have started that in Minnesota. I am the daddy of the program.

Mr. YEUTTER. You didn't invite me to Minnesota.

Senator HUMPHREY. Let's get the statistics here.

Mr. YEUTTER. We should be able to announce very soon the first group of projects which will essentially be the ones that we consider to be critical to develop the medical evaluations. I think we will in a matter of days, or not much beyond, be able to announce that group. The remaining large number of applications will take a few weeks to evaluate.

Senator HUMPHREY. I just want to be sure we are not going to shortchange the program. In other words, we now have a $40 million authorization for the first 2 years. One has gone by without any expenditures. If we are going to 1974 and 1975 we will have to have the $40 million expenditure level continued for fiscal 1975.

Mr. YEUTTER. Yes. In terms of just doing the medical evaluation, $20 million is adequate, but if we go beyond that——

Senator HUMPHREY. But we had borne that in mind. The legislation doesn't just talk about medical evaluation. Medical evaluation has already been pretty much substantiated in some of the existing private programs. That is why we legislated.

The whole purpose of the 2-year program is after the evaluations had been made at the three hospitals to which I referred earlier, namely, St. Jude's and Ford's and Johns Hopkins, that we should go ahead to a larger program of $20 million a year for 2 years.

It just seems to me that now with one year gone by, and in view of recent court decisions, that we should maintain an authorization of at least $40 million for fiscal 1975.

Mr. YEUTTER. The only other point I wanted to make there, Senator Humphrey, was that I want you to know that since I have been in this chair at USDA there has not been 1 day of delay in this program. I won't speak for what happened prior to that time.

Senator HUMPHREY. I'm not sure I understand that, but I appreciate your cooperation.

You know that Senator Aiken was one of the Senators most interested in this program. He gave a great deal of help to us. We feel that there is enough evidence to proceed forthwith, and so the proposal that I have is for an unauthorization of $40 million a year for the forthcoming 2 years.

Mr. YEUTTER. Well, it seems to me that before any final decisions are made by either the Congress or us in this regard, Senator Humphrey, we ought to know how these applications look, and we just don't know yet. We have gotten through some of them, but not all of them. There is a lot of variability, according to our people here, in efficacy in which those applications were prepared. So we need a better reading on that before we get too far down the road in terms of financial commitment.

Senator HUMPHREY. We will make the commitment here. I don't want to be like an old saw, but we did legislate this, this is not a potentate art. Some of the best people in the country in the field of pediatrics and nutrition have been involved in it. They know it will work. The only question we had in the beginning is we wanted to see what the reception would be around the country and get a broader study and evaluation of it, and that is the purpose.

We will proceed.

Mr. YEUTTER. OK.

On your testimony on the special milk program, Senator Humhrey, I noted your reference to reports that about 40 million children may not get milk under this program, et cetera. I would just like to bring that into perspective, and also to correct a misrepresentation not by you, but a misrepresentation in the press on this point. The press reported that about 40 million children would not get milk under this program and that is not accurate. That was a misleading article and there was a misleading editorial subsequent thereto because of the misrepresentation of the facts.

The facts are, as you know, Senator Humphrey, that all schools that are participating in the federally funded, federally assisted school lunch and school breakfast programs must serve milk as a part of those lunches and breakfacts. That is mandatory. So we are not going to have 40 million kids participating in school lunches without getting milk. They have to have milk.

Senator HUMPHREY. What about the payment for it?

Mr. YEUTTER. Well, the question as to how they will be paid is something else, but there is no option as to whether that milk will or will not be served. It must be served.

Senator HUMPHREY. You mean it must be made available?

Mr. YEUTTER. Well, it must be served as a part of the so-called type A lunches and also as a part of the school breakfast.

The financing is another question, but the intimation of this article was that these kids weren't going to get any milk any longer, and that is simply not the case.

Senator ALLEN. Mr. Secretary, if you will excuse me just a moment, may I say for the record that Senator Curtis is unable to be here because of another commitment, and requested that I ask that same question of you, that there have been news stories to the effect that 40 million children will go without milk for the school year. Will you respond to that charge? I would like the record to show that Senator Curtis asked that question and you have responded to it.

Senator HUMPHREY. Mr. Chairman, isn't it true, though, that the special milk program is over and above what is the regular school lunch program that includes milk as a part of the diet?

Senator ALLEN. Absolutely. Just to make sure that everybody understands that what we are talking about now of milk that is served over and above milk——

Senator HUMPHREY. And that the special program also includes some extra free milk for the children that are unable to pay for it.

Mr. YEUTTER. Well, they will all receive it as a part of the regular lunch and breakfast program. The question is, if they want a second half pint of milk then it must come from the special milk program. We are really talking about the priorities Congress wants to provide for that second half pint of milk. In the schools that have no program at all the special milk program is essential if there is going to be any milk at all.

The House bill provides only for special milk for those no-program schools and that is what the administration position was. What has been cut out has been that second half pint of milk in the program schools.

Senator ALLEN. What you are saying is that no school that has the regular breakfast program and the regular lunch program shall get the special milk program?

Mr. YEUTTER. That is right, that second half pint.

Senator HUMPHREY. They shall not be eligible for it?

Mr. YEUTTER. They can serve the second half pint if they wish it, of course, but in terms of having it subsidized under this program, no. The first half pint is provided, but not the second.

Senator HUMPHREY. The point I wanted to make is that this program is so widely accepted—first of all, it is out of your hands now and in the hands of the conferees. I just feel somehow or another there is a hangup on this program and we ought to get away from it. We ought not go up and down this old road all the time.

Mr. YEUTTER. I want to make sure the conferees understand we are not talking about depriving 40 million kids of milk.

Senator HUMPHREY. I understand that.

Senator ALLEN. Mr. Secretary, may I ask this question: As I understand it, the Department, if it saw fit, could of its own initiative raise the 40-cent lunch payments without being asked to do so directed by the Congress?

Mr. YEUTTER. For the free and reduced price lunches?

Senator ALLEN. Yes.

Mr. YEUTTER. Yes.

Senator ALLEN. Recognizing the need, why hasn't the administration—I notice you recommend here 45 cents. Why is it necessary for the Congress to come forward and direct the administration to take this action when you recognize the need as set forth in your statement? Why wouldn't it be good business, good politics, humanitarianism, to come forward of your own motion and make this rate?

Mr. YEUTTER. Senators Allen and Humphrey—you will note in my statement, I have noted we are in accord with the provisions in your bill here in relation to increasing the contribution to free and reduced price lunches.

Senator **Allen**. Why not increase it today?

Mr. **Yeutter**. The budget for 1974 that was approved is at the level of 42½ cents as compared to 40 for the past fiscal year. We budgeted an increase to 42½, but I have indicated today, that we are willing to go from the 42½ on up to 45.

Senator **Allen**. On the enactment of the bill?

Mr. **Yeutter**. Yes.

Senator **Allen**. Why not do it now?

Mr. **Yeutter**. It could be done now, but I think it is certainly appropriate to have it redone by legislation, likewise. But the 45 figure is acceptable to us, and in view of the commitment that I made in the testimony, Senator Allen, that even if the bill were not to become law we would be able to certainly raise that question in a rather vigorous manner with OMB to go to the 45-cent rate.

Senator **Dole**. That brings up a point that it seems that sometimes the administration should take the initiative. They shouldn't always have be prodded by Congress and Democrats to do something. We don't need hearings to raise it to 45 cents. The Congress would authorize the appropriations, but it always seems we need action by the Congress and that disturbs many of us.

STATEMENT OF WILLIAM G. BOLING, ASSOCIATE DIRECTOR, CHILD NUTRITION DIVISION, FOOD AND NUTRITION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. **Boling**. I think it would be premature to raise this. We are on a continuing resolution now.

Senator **Dole**. That is in conflict with the statement made earlier with Mr. Yeutter.

Mr. **Yeutter**. We are amenable to having an increase, but obviously Congress hasn't appropriated the money.

Senator **Dole**. The point I am making, why didn't the administration make the initiative? It seems they are dragged into Congress. It seems to me they are as responsive as anyone else, and as far as the record appears, they shouldn't be dragged into the committee.

Mr. **Yeutter**. I agree, Senator Dole.

Insofar as the increase to 45 cents is concerned, obviously we have had our hearing before the Appropriations Subcommittee way back last spring. We suggested 42½ at that time.

Senator **Dole**. Have you said anything publicly indicating it should be 45 cents until today?

Mr. **Yeutter**. No, sir.

The appropriations hearing obviously was way before we had many of the increases.

Senator **Dole**. You were certainly aware that the costs were increasing in the Department?

Mr. **Yeutter**. Yes.

Senator **Dole**. We don't have all the wisdom in the Congress. I know Senator Humphrey has a lot of it.

Senator **Humphrey**. When I team up with you and Senator Allen that is pretty good.

Mr. **Yeutter**. In terms of priority, Senators Dole and Allen, certainly the free and reduced price lunches have to come out as a very high priority because we are talking about needy kids and we should make sure we have ample funds to provide for the needy kids.

I would like to raise a couple of issues in respect to the legislation.

First let me concentrate on some of the more minor ones and we will wind up with the major ones that might be the most controversial or the most difficult.

Senator HUMPHREY. I see you have something on nutritional education.

Mr. YEUTTER. On nutrition education, let's just philosophize about that one bit since you raise it.

Our principal concern is to make sure we know what direction we are going before we, the Federal Government, become committed or involved in a rather gigantic program.

I compare nutrition education to rural development, in many respects. It is something which everyone favors, and you have been one of the principal leaders in rural development in the U.S. Senate. Nobody is quite sure about how to go about doing it. It seems to us that first of all that State governments should carry the principal responsibility in the area of nutrition education rather than the Federal Government, that this is primarily a local kind of function and responsibility and need. The Federal Government certainly has a role, if no other than an important coordinating role, but in our judgment not the major role in the nutrition education area. We ought to evaluate the results of the pilot projects underway before we get too far down the road in some kind of nutrition education programs in which we do not have too much confidence. We should not go directly into nutrition education.

I agree with you, Senator Humphrey, there is a great need. The question is who should do it and how should we go about doing it. That is really the issue that I am raising here and the issue that you need to deliberate. We need some fairly definitive answers with respect to who should do it and how it should be done.

Senator HUMPHREY. I am of the opinion that the education program needs to be done by the States and localities. I think it is a part of the Federal Government to encourage this and making it a part of our total school lunch program commitment with some cooperation of the Department. I don't expect the U.S.D.A. to conduct nutrition educational programs.

I notice that you have six States, a very good cross section of New York, Nebraska, Arkansas, Alabama, California, and Pennsylvania, and then you have a special pilot project underway in Georgia, Alabama, Florida, Mississippi, and Tennessee.

Senator DOLE. They could improve that a little, Senator Humphrey.

Senator HUMPHREY. Kind of broaden the field?

Senator DOLE. Bring in the Midwest.

Senator CLARK. Could I ask you a question in regard to both Senator Humphrey and you, Mr. Secretary?

It is my understanding that this bill really talks about nutrition with regard to curriculum, with regard to teaching children, whereas the pilot project that Senator Humphrey talked about, and in your testimony it deals only with food service managers and potential managers, and it is really classroom nutrition that you are talking about and it doesn't seem these projects will throw any light on that or the Federal Government is playing any part in that.

Mr. **Yeutter**. Limiting ourselves to talking about the need for classroom education, that certainly is not a function of USDA.

Senator **Clark**. Even in a coordinating way?

Mr. **Yeutter**. Perhaps there is some sort of a coordination role, but the lead should be HEW rather than USDA.

Senator **Clark**. Are you aware of anything they are doing at all? I notice in your testimony you say this should fall under HEW, but are they doing anything at all by way of guidance, coordination?

Mr. **Yeutter**. I think you'd better ask HEW that question. I am not aware they have any significant programs in that area. Again, I would like to see the State departments of education take the lead here with HEW providing some overall guidance in education and with USDA involved in whatever role might be appropriate, but let's have the lead in the State departments of education where it belongs.

Senator **Humphrey**. Have you identified a number of sources for nutrition education? Has not the USDA identified a number of Federal authorization sources for nutrition education?

Mr. **Yeutter**. That may not be a very impressive group.

Senator **Humphrey**. For authorizations, isn't that right?

Mr. **Boling**. I am sure we can provide such information. But it is not very extensive, as you know.

Senator **Humphrey**. I think a search in that area would be effective.

Nutrition education, just quickly, includes both training people who prepare and serve the lunch and educating the student as to what foods are good for him.

Mr. **Yeutter**. Absolutely. There is a need in both areas.

Senator **Humphrey**. And you are moving primarily now in the area of workers and the people who prepare the program?

Mr. **Yeutter**. Yes.

Another area that is raised here is a matter of State administrative expenses, and we have had some discussion, Senator Humphrey, with representatives of the school food service association and with other people in this area with respect to how this particular question might better be handled. Our recommendation to them has been, and our people have worked to some extent but have not completed legislative language that might be used, but our basic recommendation has been to suggest that perhaps 2 percent, and that is not a solid figure, of the funds that are expended around the country on child nutrition programs, be set aside for a combination of things. These could include: one, the administrative expenses that are involved in operating these programs; two, some nutrition training or nutrition education; however that should be defined or limited; and three, some of what have been called developmental projects in the past. All three of these: administrative, training and education, and development could be lumped together in a composite category with some maximum percentage, two percent or whatever might be appropriately established, and within that limitation, the States could determine how much they wish to allocate to administration and how much to development and how much to nutrition, training and education. This would provide for a trade-off in priorities, and this is the point that I think is most essential here. If we have, say, 2 percent in these categories and 98 percent for the program itself, and if 2 percent is not really essential or if the program needs are considered to be a higher priority it could be 98.5 in program and 1.5——

Senator HUMPHREY. By leaving that up to the States themselves?

Mr. YEUTTER. Precisely.

My point, Senator Humphrey, we also have the Federal Government involved in determining people's priorities, and this is an area where we could have those determined at the State level rather than by us. There needs to be the restriction, obviously, of some maximum so we don't run the risk of the State spending a fortune on administration and cutting too deeply into the program funds.

Senator HUMPHREY. The only thing that I would be concerned about there, is drawing funds down out of the food program itself which are very tight already, and it will be for a period of time.

Mr. YEUTTER. Yes.

Senator HUMPHREY. I think the flexibility that you propose is very sensible, and I surely would go along with it. I just believe that we either have to add to the programs that we presently have or make some provisions so that they are not weakened or drained because 2 percent in budget in some localities would be injurious to their food programs.

Mr. YEUTTER. On competitive food sales, there has been a lot of discussion of that one, and our position is simply to continue to operate under the present system for a time. As you know, the Congress passed legislation in this area last year, which in essence says that this, too, will now be a State and local decision. Right now some States already have prepared and some are in the process of preparing their regulations as to how competitive food sales are to be handled.

Senator Allen, we rather like the idea of having that authority also down at the State level. This legislation would move it back up to the Federal level again.

Senator HUMPHREY. Where it used to be?

Mr. YEUTTER. Where it used to be.

Senator HUMPHREY. There isn't a State program that I know that is happy with our action. Can you name me one?

Mr. YEUTTER. Well, I can't name you one specifically, Senator.

Senator HUMPHREY. I meet with the food supervisory people.

Senator ALLEN. But isn't that a case of a State not wanting any responsibility, but wanting all the funds? Isn't that part of the matter?

Senator HUMPHREY. Yes, what happens is they get an awful lot of pressure, frankly, at the local school district level from the kids to get into the candy machine business.

Senator ALLEN. If they are willing to be on the school board——

Senator HUMPHREY. Willing to take the heat, isn't that what you are saying?

Senator ALLEN. Yes.

Mr. YEUTTER. We have a question of responsibility. We believe States ought to accept that responsibility and take that heat and make those hard decisions.

One of the other provisions is that all schools with needy children must participate in this program by the end of fiscal year 1975.

Philosophically, Senator Allen, our feeling is that the Federal Government ought not mandate participation in this program. If a school wishes to participate, fine. We would like to see every school in the country participate.

Senator Dole. What percentage do participate?

Mr. Yeutter. About 85 percent now, Senator Dole, of all schools in the country.

Senator Dole. What about children—how many, percentagewise?

Mr. Yeutter. Children, its available to about the same percentage.

Now, some schools have made deliberate decisions not to participate, even though there is Federal help available. They simply don't. They do not want to. Others are short of facilities and equipment and space and other matters.

Senator Humphrey. Hasn't the OMB impounded about $6 million of that money we had for equipment?

Mr. Yeutter. No, Senator Humphrey. It had not been released by OMB until just a couple of days ago.

Senator Humphrey. You got ahead of me, one point for you.

But it had been up to now, the money hadn't been released, isn't that right?

Mr. Yeutter. Well, impounding may be too strong a word.

Senator Humphrey. But the money had not been released?

Mr. Yeutter. The money had not been released until the last few days.

Senator Humphrey. But that will help, Senator Dole, in getting some of these programs underway, because the funding was done here by the Congress.

Mr. Yeutter. Philosophically it is bothersome to me and the administration in mandating participation by a school in this program.

Senator Humphrey. You just cooperate with us on the equipment and I will go along with that, because that is a major problem in many schools being able to provide school lunch programs. If they don't have the equipment or facilities, they cannot offer the program to the students.

Mr. Yeutter. Even if equipment allowances are increased, Senator Humphrey, my guess is that there will still be schools who will not wish to participate, no matter what the Federal contribution is. They just will not want the Federal Government involved in their school lunch program. They would prefer to operate their own program.

Senator Humphrey. That is fine with me. I am only interested in one thing. My goal as a Senator and as an individual is a broadening of the school lunch program, frankly, universal feeding program in schools. I don't mean every meal, but at least one nutritional meal a day. There may be some that don't wish to do it. All I am saying is I want to be sure the resources are available for those who do want to do it. I understand your position. I am just nudging you a little bit, you see.

Mr. Yeutter. One other point in this same general area, if a school has more than 85 percent needy children that all children in that school will be provided lunch.

Senator Humphrey. Yes.

Mr. Yeutter. We had some misgivings about that, too, simply in terms of national priorities. In other words, we will be providing a free lunch for those 15 percent or less than 15 percent that can afford to pay. We feel, Senator Humphrey, if they can pay they ought to pay even if it is 15 percent.

Senator HUMPHREY. Let me tell you about that provision. The 85 percent is an arbitrary figure, but when you have to set up systems in schools, one for the freebees and one for the 8 or 10 percent that pay, you are almost better off in blanketing all students in. Let's run a program. I have a very prejudiced point of view. We have compulsory education and military service in this country, compulsory rehabilitative services. We didn't go around saying to a kid whose dad was the banker, bring your own gun, bring your own lunch or bring your own uniform.

Maybe the figure 85 is not as good as it ought to be, but when you get to a point where you have, let's say, 95 percent of the children, it is foolish to try to segregate the 5 or 10 percent that ought to be on the pay side. I agree if you've got 60 percent one way and 40 percent one way then you can have your dual program.

Mr. YEUTTER. There is obviously a trade-off between having the nonneedy kids paying for their lunch when they can afford to do so and the additional administrative costs involved when it gets smaller and smaller.

We are certainly in accord with expanding the size of the National Advisory Council on Child Nutrition and adding a differentiation of membership there. That is a valuable Council; it has been superb and we are certainly more than amenable to having it increased in size.

One provision in the legislation relating to the Council and relating to some other people as well which we do take issue with is one which provides that the Council and another State-local group must be consulted in the preparation of regulations. I don't recall the exact wording of the bill now, but it says essentially that their input must be incorporated into any proposed regulations. We just simply do not feel that, whether it be USDA or any other Department of Government, or this program or any other program, that there ought to be an obligation to incorporate in regulations the point of view of any specific group. We ought, as we do, to get the comments of all. Those who are interested, not just one specific group.

Now certainly the Council ought to be consulted and anybody else who has an expertise in that area ought to be consulted, but I don't believe there ought to be an obligation on the part of the Department of Agriculture to accept their particular point of view.

Senator HUMPHREY. Just so they have an input and that their input is recognized as such. I agree with that, we don't want to have just one group writing the rules.

Mr. YEUTTER. I think that would be an unfortunate precedent, Senator Humphrey, for any program, whether it be this one or any other program.

Let's take one more on the periphery of this area and that is the commodity situation, Senator Humphrey. This bill provides that the authority that was secured last spring would become permanent, meaning if we are unable to buy the commodities committed in the budget for the schools for whatever the amount budgeted, that has been 7 cents recently, the shortfall would be made up in terms of cash distribution. I have said in this testimony, and it is consistent with the testimony that I gave before the House a few weeks ago, that we don't really feel that this will be necessary in light of the new legislation that was included in the farm bill which would permit us to go beyond the surplus removal purposes and purchase on the open market the food necessary in order to deliver on the budget commitment to the schools. Certainly that authority in the new farm legislation is helpful and here already——

Senator **HUMPHREY.** But that is only for a year.

Mr. **YEUTTER.** That is only for a year; that is correct, Senator Humphrey.

Senator **HUMPHREY.** The legislation in the farm bill is the same legislation in this bill except that this is permanent, in the sense you can do anything permanent in Congress. You can change the next year if you wish. But the farm bill is a 1-year shot, and there is no indication that 1 year will be enough. We will have to come back and legislate that provision next year again if we don't adopt this new provision now.

Mr. **YEUTTER.** That is correct.

Senator **HUMPHREY.** But the text is substantially the same.

Mr. **YEUTTER.** Yes.

I want to be perfectly clear and have you all recognize we are still having difficulties in making purchases. We can go out for bids now with broader authority than we have had as a result of the farm authority, but that doesn't mean anybody has to bid. We are still having difficulty even getting people to bid on these dockets. If that continues it may well be that the position I have enunciated here will have to change.

I have said we do not need the legislation you have proposed here, and I still feel that way, but I would like to leave the door open to reappraise that. I think the worse is over in terms of shortages. Things may be better.

Senator **HUMPHREY.** My proposed legislation does not mandate that you must go out and buy. It requires that cash be provided only if there are no commodities available. It would continue on a permanent basis that authority to do what the Congress has already legislated on a temporary basis. That is the only difference.

Mr. **YEUTTER.** I understand that.

I have already indicated that we are in accordance, Senator Humphrey, with what you propose on section 11 for the free and reduced price lunches.

On the school breakfast program, our feeling is that, though there is certainly less money involved here than in section 4, the present rates under the school breakfast program should be adequate for most schools, because they provide, $5,000, $15,000, and $20,000; $5,000 for the regular breakfast, $15,000 for reduced price, and $20,000 for free. Your legislation would go to $8,000, $23,000, $28,000, I believe. The present legislation provides that—the present system provides that if the $15,000 and $20,000 are inadequate in a particular situation because of a special need, we can go up to $20,000 and $30,000, I believe, isn't that correct?

Senator **HUMPHREY.** You can go to what?

Mr. **YEUTTER.** $20,000 and $30,000. We believe that gives us enough flexibility to do the job, and we do not need the increases that are posited in the bill.

Senator **HUMPHREY.** Do you think the $5,000 is adequate for the breakfast, for the regular breakfast?

Mr. **Yeutter**. Yes. Permit me to answer that, Senator Humphrey, by moving into section 4 and answering the two together, because it seems to me this is the most crucial, the $5,000 breakfast and then the $8,000 to $12,000.

Senator **Humphrey**. If there is a need for the increase in section 4 under the breakfast program to maintain the same levels as we had a year ago, there ought to be some adjustment. You are buying food, that is all you are doing.

Mr. **Yeutter**. I would like to answer this way, Senator Humphrey. It seems to me this becomes the crucial question now. We are talking about section 4 and the breakfast program. Do we stay at 8 cents or somewhere above 8 cents? Ignoring the question of how high food has gone and so on, just looking at the costs, the pure dollar amount, we are talking about for each additional cent under section 4 a $40 to $50 million dollar increment to consider here insofar as the taxpayer is concerned.

Beyond that we get to the crucial question, Senator Humphrey, of who is going to pay for the additional cost of school lunches? Everybody agrees that food prices have gone up. Somebody has to provide the additional funds. Most of the press discussion up until now has been whether the Federal Government is going to do it or whether the burden is going to have to be borne by the kids. Many schools are already making preparations to increase the cost to the children.

As Senator McGovern pointed out earlier based on some studies he has read, for every 1-cent increase in the cost of the lunch there will be 1 percent fewer buying.

Very quickly, it seems to me, Senators Allen and Dole, what really has to be evaluated is among all the options that exist, what should be pursued in terms of meeting additional requirements for maintaining school programs. One is the Federal Government which is under discussion here, and the easiest way is simply to increase the Federal contribution. That is not necessarily always the best way or the proper way, but that is one way.

Another way is through State contributions. We have got State government in this picture, too, and we ought to look at what the possibilities are for help in State governments. I read recently that State governments had a budget surplus of $10 billion last quarter which is rather impressive. Admittedly they will not appropriate all $10 billion to school lunch programs, but there isn't any reason they can't help more than they have been. Sure, we have problems when budgets are already enacted and things like that but these should not be insurmountable. Local units of government may also be able to contribute. Another possibility is to increase the prices to nonneedy kids. The other alternative is making priority shifts within budgets already approved by local school districts. Thus, there are five options: State, Federal, local financing increases, increased prices to nonneedy kids, and shifting priorities within school budgets. We shouldn't make the assumption that the only way to solve this problem is by increasing the Federal contribution by some gigantic sum. That is our point. One can argue, of course, that the base of Federal contributions in past years has been too low. But, nevertheless, the fact remains that the

Federal contribution has increased 60 percent in the last 2 years. That is a rather significant contribution.

We feel, Senator Allen, recognizing the President's efforts in trying to balance the budget in 1974, that we can't afford to have these kinds of increases coming along. We sympathize with the need of the schools, and we know food prices have gone up, but why must it always be the Federal Government picking up the tab?

Senator ALLEN. Thank you very much, Mr. Secretary.

I wish you would do this for the benefit of the committee. We have the Humphrey bill and the McGovern bill, in addition we have a Case bill which in effect is embodied in the Humphrey bill so we wouldn't need any special comment on that, but I believe it would be helpful if you would take each provision of the Humphrey and McGovern bills and give us your recommendation for or against or modification and make us up a schedule for inclusion in the record, and also for use on the Senate floor in shaping the Department's position. Would that be too much of a burden?

Mr. YEUTTER. No, sir.

I have commented generally on S. 1005 in my statement.

Senator ALLEN. You can include that in your digest. I believe you have a digest of some of your provisions that you have testified from?

Mr. YEUTTER. Yes.

Senator HUMPHREY. Mr. Chairman, did the Secretary give us an assurance on the rate of section 4? Presently it is 8 cents where my recommendation is 12 cents.

Senator ALLEN. No recommendation for an increase, as I understand it.

Senator HUMPHREY. I heard the alternatives, but could we just come back to the proposals?

Mr. YEUTTER. Sure. I concluded by saying, Senator Humphrey, that although one can argue as to whether the base 3 or 4 years back for Federal contributions to this program was adequate or not, we have had a 60-percent increase in the Federal share here in just the last 3 years, and we simply feel that with the concern of trying to hold down the size of the Federal Government and having to balance it this year, rather than having the Federal Government pick up the tab this year we would like to have it picked up somewhere else.

Senator HUMPHREY. That is the normal reaction.

Senator CLARK. May I say something for the record?

On page 1 the Secretary makes a great point. They want to extend the school lunch program to a great number of other people. He mentions the fact they are prepared to go from 40 to 45. That is complimentary. The help is to take care of the inflationary factor, but it seems to me that in every other area of the testimony the Department is opposed to further extension of the program to other people under the various programs that are mentioned here. On page 5, opposed to a percentage increase, on page 6 opposed to increasing the school breakfast program, page 7 opposed to the national school lunch program participation—the very first paragraph, page 7, opposed to that part of the program extending to Trust Territories.

What I would like to ask is for the Secretary to give us a list of those things you feel you are prepared to do now, are studying doing which would extend to a part of that 6 perecnt. What are the programs of a positive nature?

Mr. YEUTTER. Senator Clark, obviously there is a negative concentration here. We concentrate on all the negatives here, but that doesn't diminish the fact that what we are talking about generally is increasing the rates of contributions for those who participate. But we are not suggesting that we wouldn't welcome other participants.

Senator ALLEN. Thank you very much.

[The prepared statement of Mr. Yeutter follows:]

Mr. YEUTTER. Mr. Chairman and members of the committee: We appreciate this opportunity to meet you today to discuss S. 1063 and S. 1005.

Before getting into the substance of our views on these proposals, I'd like to, if I may, take a moment to review some of the highlights of recent gains in child nutrition activities. We have placed a high priority on making school lunches accessible to all children, in keeping with the intent of Congress and the recommendations of the National Advisory Council on Child Nutrition. Latest reports from the Food and Nutrition Service show that the national school lunch program is now available to 85 percent of the Nation's schoolchildren. Over 11,000 schools have joined the program since 1969. FNS is working closely with State and local school officials and concerned groups across the country to bring the school lunch program within reach of the remaining 2.6 million public school children and 2.3 million youngsters in parochial and other nonprofit private schools still without food service.

This is an impressive record of accomplishment for both the executive and legislative branches of Government, but there is no reason to relax our efforts or lessen our concern. With this in mind, I would like to comment on some of the problems we see in these bills.

A major point of difference centers on the important but difficult issue of how to carry out nutrition education, and who should carry it out. The effect of these proposals would be to establish a new categorical grant program in this area. This would take USDA beyond the lunchroom-related food service role into the realm of curriculum development and classroom education—functions which are now performed by the Department of Health, Education, and Welfare and State educational agencies. We believe that these functions may most appropriately be carried out by the State educational agencies.

Under authority of section 6 of the National School Lunch Act, which authorizes special projects of "nutrition training and education for workers, cooperators and participants in these—Child nutrition—programs," the Food and Nutrition Service has undertaken a variety of projects to extend our knowledge and better define our role in the area of nutrition education.

For example: Last March, the Department awarded a grant of $126,675 to the Georgia Department of Education to develop coordinated training in nutrition education, linking the classroom with the school food service program. A team approach to training school food service workers and teachers will be developed, pilot tested, and evaluated for effectiveness in reaching children in Georgia and four other cooperating states—Alabama, Florida, Mississippi, and Tennessee.

In another series of six projects, we are looking at nutrition education developed and carried out under the supervision of State nutrition education specialists—one of the goals being to find out how best to organize and coordinate such a program. Participating States are: New York, Nebraska, Arkansas, Alabama, California, and Pennsylvania.

These are pilot studies, and hopefully they will be of value not only to us, but also to State and local educational agencies. This will be particularly important if, as we suggest, State and local entities are given the primary role in this nation's nutrition education programs.

A larger share of our effort has been devoted to the development of training methods for school food service workers, to help them do the best possible job of preparing and serving food to children.

Among the projects we have pursued in this area is a series of ten 30-minute television programs developed under contract with the New England State Education Council, the Boston educational TV station WGBH, and Harvard University. This purpose is to provide specialized nutrition training for school food service workers, relating to all phases of the job—including buying, preparing, serving and merchandising nutritious food to school lunch customers. The series, complete with course materials and tests, has been shown over educational TV in New England where some 7,400 school food service personnel registered as students for the 10-part TV course. Response has been most encouraging, and we are now working on plans to make the series available nationally.

Toward an independent study program for food service workers, the Department has just contracted with the extension service of the University of Wisconsin to develop a correspondence course for school food service managers and potential managers. The objective is to develop and test a course covering the full gamut of a manager's responsibilities, with emphasis on nutrition training keyed to the meal standards of the child nutrition programs.

We expect to learn a great deal from these training and education projects. However, we now need an opportunity to complete the projects and the evaluation process.

For the present, we recommend that S. 1063 be amended to provide a more general authorization for State administrative expenses, training of nutrition program workers and administrators and special developmental projects. Specifically, we would propose that States be permitted to use up to 2 percent of the funds expended for child nutrition programs in the previous fiscal year to finance projects in those three areas. This would enable States to better allocate available resources to meet their needs. Needless to say, such an authorization would presently be subject to the appropriation process; and budget proposals would, as now, be subject to approval by the Secretary of Agriculture.

This plan for a more general authorization would also answer the need expressed in another provision of S. 1063 designed to strengthen State administration and supervision of child nutrition programs. There is clear need for this kind of assistance. State staff personnel form a vital link in the Federal-State-local chain of child nutrition program operations. Many State offices are seriously understaffed and have thus been handicapped in adjusting to the major changes in program rules and procedures of recent years. A more general authorization, such as we are suggesting, would give States needed flexibility to set administrative priorities, based on their own circumstances.

Turning to basic cash assistance for school lunch programs under section 4 of the National School Lunch Act, we'd like to point out that Federal support has already increased substantially in recent years. The average rate of payment increased from 5 cents per lunch in fiscal year 1971 to 8 cents per lunch in fiscal year 1973—an increase of 60 percent in the basic Federal rate of assistance. During this same period, the wholesale price index for all food rose 15 percent and the index of hourly earnings in eating and drinking places went up 12.5 percent. Considering these ratios and the need to control Federal spending we cannot support a further major increase in basic school lunch assistance.

With regard to payments under section 11 to help provide lunches for needy children, we support the S. 1063 plan to move to an averaging concept similar to that now used for the basic section 4 payments and the breakfast program. Both the Federal Government and the States have found this to be a most workable system. We concur in this bill's proposal to assure an average payment of 45 cents for all free lunches served and 35 cents for those served at reduced price.

Regarding decisions on who should get free lunches, we cannot support the S. 1063 proposal to provide that lunches would be served free to all students in schools with over 85 percent needy children. As a basic principle, we believe that those who can afford to pay the regular price for lunch, regardless of which school they attend, should be expected to do so.

The proposed increases in rate of payments for the school breakfast program are, in our view, not needed at this time. Budget plans for the current fiscal year call for standard rates of payment of 20 cents for each free breakfast served, 15 cents for each reduced-price meal, and 5 cents for every regular-price meal. There is a safety valve in the rules that allow the rates to go as high as 30 cents for free breakfasts and 20 cents for the reduced price, in especially needy schools where costs justify higher rates. This allows sufficient flexibility to cope with unusual costs and meet special needs.

In another provision, S. 1063 would depart from the present priorities of administering Federal aid to help needy schools buy food service equipment. By adding needy schools with temporary food service to the category of "no food service" schools, the bill would make them eligible for the 50 percent of equipment funds now reserved, by law, for those schools with no programs at all. This change would adjust the present priority of making school meals available to children now without access to any food service. The provision could dilute our efforts in this direction, and would be extremely difficult to administer, largely because of the problems in drawing a distinction between a temporary and a permanent food service. Moreover, under present policies, schools which are seen to be struggling with temporary and inadequate facilities already rate high priority on the remaining 50 percent of the equipment funds each State has available. We do not believe that the proposal in S. 1063 would effectively improve on their situation.

Toward wider participation in the lunch program, S. 1063 would require that all schools within a school district join the national school lunch program by June 30, 1975. This proposal runs counter to the history of the child nutrition programs and of American education generally. These have traditionally been matters for State and local decision, with the Federal Government a cooperating partner, but not the dominant one. In short, we believe the decision to participate or not participate is one best made at the local level.

With regard to the proposal that the trust territories should be brought into the regular child nutrition programs, we would suggest rather that the Department survey the problem to seek solutions to a variety of problems including transportation and facilities, as well as to find ways to satisfy local food tastes and meet nutrition standards.

Regarding the commodity provision of S. 1063, we recognize that schools must be able to budget in advance for a dependable level of commodity support from the Federal Government. The supply-price situation of recent months has made it increasingly difficult to acquire commodities under the surplus-removal provisions of section 32 and the price-support programs of section 416.

The Agriculture and Consumer Protection Act of 1973 (Public Law 93–86), which President Nixon signed August 10 authorizes the purchase of commodities with section 32 and section 416 funds, even though they may not be in surplus supply. This provision permits us to meet the food needs of these programs while giving priority to the surplus removal of agricultural commodities. We believe this approach is preferable to the one suggested in S. 1063.

In another area, both bills under consideration would switch the responsibility for controlling food sales that are deemed in competition with federally assisted food service programs back to the Federal Government. Public Law 92–433 enacted last September transferred this responsibility to State and local governments, requiring that Federal regulations shall not prohibit the sale of competitive foods, so long as the proceeds accrue to the benefit of the schools or approved student organizations. The Department, in accord with its understanding of congressional intent, issued regulations providing that "State agencies and school food authorities shall establish such regulations or instructions as are necessary to control the sale of food in competition with a school's nonprofit food service under the program * * *."

Early last summer I wrote to the heads of all State education departments urging their involvement with school food service staffs in establishing such policies before the opening of the fall term. About 20 States have already provided their policies to us and we have every indication that other States are moving promptly to assume their responsibilities under the new law. This action tends to confirm our belief that control of competitive foods is truly a matter for State and local action.

Finally, I'd like to comment on the S. 1063 proposal to amend the rulemaking procedure for establishing new regulations governing child nutrition programs. As you know, our practice is to publish proposed regulations in the Federal Register, and allow at least 30 days for public comment on these proposals. All comments are carefully considered and very often influence the outcome of the final rules.

The S. 1063 provision to mandate consultation with a specified group or groups would seriously interfere with the execution of these programs. First, it would impose a double standard for rulemaking review. Second, in specifying that proposed rules should reflect the comments of a specific group, the provision would tend to ignore the contributions of other groups and individuals including the Department itself. Third, this kind of rulemaking procedure would establish an unfortunate precedent that would extend beyond child nutrition programs and could ultimately hinder the administrative operations of many other Government programs. On these grounds, we cannot support this feature of the bill.

We do, however, value the work of the National Advisory Council on Child Nutrition. I met with this group twice this year in Washington. The Council has done an outstanding job of studying the child nutrition programs and focusing attention on areas needing improvement. We support the S. 1063 proposal to increase the size of that body.

Before closing, I'd like to, if I may, suggest that the committee consider adding a new provision to the legislation under discussion today. We are, as you know, beginning operation of the new Pilot Supplemental Food Program for Women, Infants and Children (WIC), which Congress authorized to test the nutritional benefits of providing mothers and young children with supplemental nutritious foods. We issued regulations for the new program in early July, inviting applications from State and local agencies. Less than 2 months later, on August 29, we announced the selection of the first program in San Diego, Calif. Response to the new program has been most enthusiastic, as evidenced by the more than 250 applications that have come into the Food and Nutrition Service. They will be reviewed and acted upon as rapidly as possible. Meanwhile, it has become increasingly evident that to achieve the full and thorough evaluation Congress wants, the program needs authority to operate beyond the presently authorized June 30, 1974, deadline. We noted that the child nutrition bill (H.R. 9639) which the House Education and Labor Committee approved last week includes a provision to extend WIC for another year through June 1975. We concur in that suggestion and recommend that this committee consider a similar move.

With the changes I have proposed today, we would have no objection to the enactment of S. 1063. We would welcome the opportunity to work with the committee on specific aspects of these legislative proposals. We are of course, happy to share our views on this or any other question with the committee at any time.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN—WIC

Summary of Applications

Total number of applications received as of Sept. 7, 1973	276
Total estimated participation (women, infants and children)	452, 874
Total requested grants for food	71, 466, 171

Alabama

Project area: [1]	*Requested food budget (indicates number of months)*	
Bullock, Macon, and Russell	$94, 437	(9)
Coffee	205, 748	(12)
Jefferson	385, 512	(12)
Lawrence, Limestone, and Morgan	425, 808	(9)
Lowndes	140, 175	(9)
Mobile	673, 742	(12)
Total	1, 925, 422	

[1] Countywide unless otherwise indicated.

Alaska

Project area: [1]	*Requested food budget (indicates number of months)*	
Anchorage	$40, 812	(9)
Barrow	37, 800	(9)
Total	78, 612	(9)

[1] Countywide unless otherwise indicated.

Arizona

Project area: [1]	*Requested food budget (indicates number of months)*	
Coconino	$50, 768	(9)
Navajo	34, 580	(9)
Pima (Pima County Health Department)	206, 717	(9)
Pima (Papago nutrition improvement program)	157, 000	(9)
Yuma	11, 203	(9)
Total	460, 268	(9)

[1] Countywide unless otherwise indicated.

Arkansas

	Requested food budget (indicates number of months)	
Project area: [1] Ashely, Arkansas, Bradley, Calhoun, Christ, Cleaveland, Grass, Desha, Drew, Lincoln, Monroe, Phillips, Prairie, and Woodruff	$506, 809	(9)
Total	506, 809	

[1] Countywide unless otherwise indicated.

California

Project area:[1]	*Requested Food budget*[1]
Oakland (Alameda County Health Care Services Agency)	$361, 017
Oakland (Children's Hospital Medical Center)	941, 418
Oakland (West Oakland Health Center, Inc.)	82, 305
Contra Costa	124, 681
Fresno, Fresno (EOC Family Planning)	700, 506
Fresno, Orange Cove (Orange Cove Family Health Center, Inc.)	164, 574
Homboldt	13, 471
Imperial	59, 319
Kern	118, 422
Pasadena (department of public health)	336, 825
Los Angeles (central Los Angeles health project)	1, 021, 140
Huntington Park (The Indian Free Clinic, Inc.)	58, 329
Long Beach (Long Beach WIC nutritional program)	182, 655
East and South Los Angeles (Los Angeles County Public Health Foundation)	304, 558
Los Angeles (Martin Luther King, Jr. General Hospital)	158, 355
East Los Angeles (Santa Marta Hospital Clinic)	85, 932
South Los Angeles (Westland Health Services, Inc.)	492, 345
Mendecino	46, 233
Merced	30, 771
Monterey	191, 295
Obispo	20, 637
Riverside	29, 925
San Diego (County of San Diego Public Health)	74, 781
La Jolla (Department of Neurosciences, UCSD School of Medicine) (Note—Proposal for evaluation)	--------
San Diego and Oceanside (American Red Cross nursing health programs)	52, 956
San Marcos (North County health project)	88, 704
San Francisco (Maternal and infant care project, St. Luke's Hospital)	161, 667
San Francisco (Northeast Medical Services)	82, 584
San Francisco (St. Luke's Hospital)	287, 010
San Francisco (Urban Indian Health Board, Inc.)	173, 556
San Joaquin	98, 775
San Mateo	246, 909
Palo Alto (Charles R. Drew Health Clinic)	246, 969
San Jose (Santa Clara Valley Medical Center)	25, 515
Santa Cruz	125, 784
Solano	52, 245
Sonoma	248, 535
Stanislaus	178, 560
Ventura	1, 203, 390
Total	8, 872, 713

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*Denotes 9-month food request.

[1] Countywide unless otherwise indicated.

Colorado

Project area:[1]	Requested food budget (indicates number of months)
Adams and Arapahoe	$422,937 (9)
Adams and 23 counties	70,875 (9)
El Paso and Teller	133,794 (9)
Huerfano and Loas Animas	98,280 (9)
Jefferson	111,744 (9)
Otero	58,995 (9)
Total	896,625

[1] Countywide unless otherwise indicated.

Connecticut

Project area:[1]	Requested food budget (indicates number of months)
Bridgeport	$1,834,903 (9)
Hartford	16,870 (9)
Stamford	374,101 (9)
Waterbury	1,019,334 (9)
Total	3,245,208

[1] Countywide unless otherwise indicated.

Delaware

Project area:[1]	Requested food budget (indicates number of months)
Statewide (Division of Public Health)	$328,627 (9)

[1] Countywide unless otherwise indicated.

Florida

Project area:[1]	Requested food budget (indicates number of months)
Brevard	$79,200 (9)
Broward	329,760 (9)
Collier	129,300 (9)
Dade (Dade County Department of Public Health)	432,000 (9)
University of Miami School of Medicine	300,699 (9)
Duvall	321,705 (9)
Okaloosa	113,040 (9)
Sarasota	43,200 (9)
Volusia	72,000 (9)
Total	1,820,904

[1] Countywide unless otherwise indicated.

Georgia

Project area:[1]	Requested food budget (indicates number of months)
Fulton & DeKalb	$314,000 (9)
Atlanta southside	785,853 (9)
Total	1,099,853

[1] Countywide unless otherwise indicated.

Idaho

Project area:[1]	Requested food budget (indicates number of months)
Ada	$15,500 (9)

[1] Countywide unless otherwise indicated.

Illinois

Project area:[1]	Requested food budget (indicates number of months)	
Cook (Chicago Board of Health)	$399,699	
Cook (Cook County OEO)	----------	
Cook (Cook County Department of Public Health)	779,152	
Cook (Illinois Family Planning Council)	4,000,000	
Cook (Illinois Migrant Council)	22,915	
Cook (Daniel Hale Williams Neighborhood Health Center)	46,800	
Cook (Miles Square Health Center)	381,313	
Cook (Woodlawn Child Health Center)	497,029	
Cook (Evanston-North Shore Health Department)	94,510	
Cairo	99,620	(12)
East St. Louis	1,309,827	
Fulton	150,000	(12)
Logan	10,280	(10)
Madison	21,140	(12)
Oak Lawn	21,936	
Pope	140,376	(12)
Sangamon	67,422	(10)
Tazewell	23,638	
Will	183,240	(10)
Winnebago	37,440	(10)
Total	8,346,337	

[1] Countywide unless otherwise indicated.

Indiana

Project area:[1]	Requested food budget (indicates number of months)
Gary (Gary City Health Department)	$13,500
Hammond (Hammond Community School)	9,261
Indianapolis (Health and Hospital Corporation Division of Public Health)	359,540
St. Joseph	99,000
Total	481,301

[1] Countywide unless otherwise indicated.

Iowa

Project area:[1]	Requested food budget (indicates number of months)	
Blackhawk	$162,067	(9)
(7 Counties) Carroll (Community Opportunities)	45,045	(9)
Johnson (University of Hospitals and Clinics)	26,933	(9)
Linn	143,955	(9)
Polk	369,023	(9)
Scott	152,933	(9)
Total	$899,956	

[1] Countywide unless otherwise indicated.

Kansas

Project area:[1]	Requested food budget (indicates number of months)	
Reno	$3,195	(9)
Sedgwick	81,240	(12)
Shawnee	191,136	(6)
Total	275,571	

[1] Countywide unless otherwise indicated.

Kentucky

Project area: [1]	Requested food budget (indicates number of months)
Bell, Floyd, Harlan, and Letcher	$192,582 (9)
Bourbon	4,176 (9)
Boyd, Carter, Elliot, and Lawrence	56,628 (9)
Breathitt	11,961 (9)
Breathitt, Knott, Leslie, Letcher, and Perry	297,414 (9)
Campbell and Kenton	45,792 (9)
Clinton, Cumberland, McCreary, Pulaski and Wayne	268,344 (9)
Fulton	38,601 (9)
Jefferson (Louisville and Jefferson Co. Department of Health)	491,148 (9)
Park-DuValle	79,371 (9)
University of Louisville School of Medicine	415,773 ([illegible]
Muhlenberg	12,870 (9)
Rowan	51,615 (9)
Total	1,966,275

[1] Countywide unless otherwise indicated.

Louisiana

Project area: [1]	Requested food budget (indicates number of months)
Acadia, East Carroll, Red River, De Soto Ouachita, and Tangipahoa	$77,895 (9)
Orleans Parish, New Orleans (Edna Pillsbury Health Center)	204,885 (9)
Orleans Parish, New Orleans (Model Cities Health Center)	837,270 (9)
Rapides	217,917 (9)
St. Helena	38,406 (9)
St. Landry	69,291 (9)
West Feliciana	38,761 (9)
Total	1,484,425

[1] Countywide unless otherwise indicated.

Maine

Project area: [1]	Requested food budget (indicates number of months)
Hancock and Washington	$74,385 (9)
Penobscot and Piscataquis	121,804 (9)
York	19,534 (12)
Total	215,723

[1] Countywide unless otherwise indicated.

Maryland

Project area: [1]	Requested food budget (indicates number of months)
Anne Arundel	$124,670 (9)
Anne Arundel (partial) (South County Family Health Center)	28,143 (9)
Baltimore City (Comprehensive Child Care Program, Johns Hopkins Hospital)	24,505 (9)
Baltimore City (Johns Hopkins University)	90,936 (9)
Baltimore City (North Central Baltimore Health Corp.)	101,400 (9)
Baltimore City (Provident Comprehensive Neighborhood Health Center)	27,885 (9)
Baltimore City (Northwest Health Services)	54,925 (9)
Calvert	14,950 (9)
Carroll	8,320 (9)
Garrett	7,800 (9)
Montgomery	56,875 (9)
Prince Georges	162,500 (9)
Total	702,909

[1] Countywide unless otherwise indicated.

Massachusetts

Project area: [1]	Requested food budget (indicates number of months)
Boston and seven other major cities	$3,989,291 (9)

[1] Countywide unless otherwise indicated.

Michigan

Project area: [1]	Requested food budget (indicates number of months)
Wayne (Detroit City Health Department)	$948,139 (9)
Delta	9,600 (9)
Arenac, Clare, Gladwin, Isabella, Osceloa and Roscommon	21,200 (9)
Kalamazoo	33,408 (9)
Luce	30,409 (9)
Muskegon	8,100 (9)
Total	1,050,856

[1] Countywide unless otherwise indicated.

Minnesota

Project area: [1]	Requested food budget (indicates number of months)
Minneapolis	$477,000 (15)
Beltrami (Minnesota Department of Health Mobile Health Unit)	28,350 (9)
Ramsey	107,523 (9)
Totals	612,873

[1] Countywide unless otherwise indicated.

Mississippi

Project area: [1]	*Requested food budget (indicates number of months)*
Hinds and Rankin	$275, 225 (10)
Issaquena and Sharkey	656 ,556 (9)
Warren	656, 556 (9)
Total	1, 150, 392

[1] Countywide unless otherwise indicated.

Missouri

Project area: [1]	*Requested food budget (indicates number of months)*
Joplin	$15, 120 (9)
Kansas City	146, 006 (9)
Kirksville	10, 800 (9)
Phelps	38, 250 (9)
Portageville	79, 200 (9)
St. Louis	288, 000 (9)
Total	577, 376

[1] Countywide unless otherwise indicated.

Montana

	Requested food budget (indicates number of months)
Project area: [1] Fort Peck Reservation, Northern Cheyenne Reservation	$168, 000 (12)

[1] Countywide unless otherwise indicated.

Nebraska

	Requested food budget (indicates number of months)
Project area: [1] Davies, Scotts Bluff, Sioux and Sheridan	$77, 705 (12)

[1] Countywide unless otherwise indicated.

Nevada

	Requested food budget (indicates number of months)
Project area: [1] Clark	$120, 132 (9)

[1] Countywide unless otherwise indicated.

New Hampshire

Project area: [1]	*Requested food budget (indicates number of months)*
Conway: nine towns	$24, 864 (9)
Merrimack: four towns	21, 996 (9)
Strafford: eight towns	27, 121 (9)
Total	73, 981

[1] Countywide unless otherwise indicated.

New Jersey

Project area:[1]	Requested food budget (indicates number of months)
Atlantic	$20, 360 (9)
Camden	68, 485 (9)
Newark	1, 134, 000 (9)
Hudson (Hudson Co. Family Planning, Inc.)	18, 081 (9)
Hudson, Hoboken (Prenatal Satellite, St. Mary Hospital)	41, 062 (9)
Trenton	315, 283 (9)
New Brunswick	78, 660 (9)
Plainfield (partial) (Comprehensive Neighborhood Health Services Center)	109, 764 (9)
Total	1, 785, 695

[1] Countywide unless otherwise indicated.

New York

Project area:[1]	Requested food budget (indicates number of months)
Albany, Rensselaer, and five other counties, Greater Albany (Albany Medical Center, Outpatient Department)	$49, 085 (9)
Albany, Northside (Whitney M. Young, Jr. Community Health Center)	129, 600 (9)
Allegany	11, 100 (6)
Erie	658, 800 (9)
Franklin and three other counties	46, 032 (12)
Livingston	79, 606 (9)
Monroe, Rochester (partial)	99, 324 (9)
Oneida	54, 009 (9)
Onondaga	1, 539, 360 (9)
Schenectady	18, 909 (9)
Greater New York City, Brooklyn (Providence Health Center, Inc.)	96, 062 (9)
Brooklyn (Charles Drew Neighborhood Health Center)	445, 500 (9)
Brooklyn (Brownsville Ambulatory Pediatric Care Unit)	136, 099 (9)
Brooklyn (Community Corp. of Bushwick, Bushwick Family Health Clinic)	32, 355 (9)
Brooklyn (C & Y Project No. 628, Comprehensive Approach to Community Health)	483, 372 (9)
Brooklyn (Sunset Park Family Health Center of the Lutheran Medical Center)	89, 359 (9)
Bronx (Montefiore—Morrisania Hospital Comprehensive Health Care Center)	66, 240 (9)
Long Island City (Qualicap Family Planning & Health)	123, 300 (9)
Lower East Side (NENA Health Council, Inc.)	26, 523 (9)
Lower East Side (New Gouverneur Hospital)	439, 200 (9)
West Manhattan (Roosevelt Hospital)	72, 640 (9)
New York City (City Department of Health)	3, 159, 000 (9)
Total	7, 855, 475 (9)

[1] Countywide unless otherwise indicated.

North Carolina

Project area:[1]	Requested food budget (indicates number of months)
Chatham	$63, 108 (9)

[1] Countywide unless otherwise indicated.

Ohio

Project area:[1]	Requested food budget (indicates number of months)
Akron	$181, 069
Ashtabula	100, 628
Bowling Green	13, 579
Caldwell	56, 826
Cincinnati (Cincinnati Health Department)	351, 486
Cleveland (Cuyahoga County-M&I Combined WIC Program)	1, 053, 000
Cleveland (Hough-Norwood Family Health Care Center)	899, 841
Columbus (Bethune Center)	54, 720
Franklin, Columbus (Community Health Care Service)	289, 910
Columbus (Children's Hospital, C&Y Project No. 607)	67, 905
Columbus (ECCO Family Health Center)	554, 400
Columbus (Nutrition Clinic, Outpatient Department, OSU)	24, 624
Montgomery, Dayton	29, 812
Dover	346, 442
Ironton	86, 755
Liberty Center	6, 120
Lincoln Heights	99, 405
Monroeville	18, 220
Toledo	534, 326
Uhrichsville	99, 784
Xenia	13, 140
Total	4, 881, 992

[1] Countywide unless otherwise indicated.

Oklahoma

Project area:[1]	Requested food budget (indicates number of months)
Cleveland	$15, 957 (9)
Tulsa	120, 447 (9)
Total	136, 404

[1] Countywide unless otherwise indicated.

Oregon

Project area:[1]	Requested food budget (indicates number of months)
Marion (Valley Migrant League)	$259, 200 (9)
Marion (Marion County Health)	([2])
Multnomah (M & I Care Clinic)	147, 190 (9)
Multnomah (Multnomah County Health Department)	([2])
Nyssa	95, 940 (9)
Washington	([2])
Total	502, 330 (9)

[1] Countywide unless otherwise indicated.
[2] Not furnished.

Pennsylvania

Project area:[1]	Requested food budget (indicates number of months)
Bedford, Fulton, and Huntington	$126,000 (9)
Berks	69,939 (9)
Dauphin	—
Delaware	—
Lackawanna, Luzerne, Pike, Wayne, and Wyoming	167,532 (9)
Philadelphia	39,724 (9)
Philadelphia (Division of Mater[illegible] and Child Health, Community Health Services, Philadelphia Department of Public Health)	2,935,350 (9)
Philadelphia (Thomas Jefferson University Hospital)	72,000 (9)
York	214,312 (9)
Total	3,564,857

[1] Countywide unless otherwise indicated.

Puerto Rico

	Requested food budget (indicates number of months)
Project area: Islandwide	$330,833 (12)

Rhode Island

	Requested food budget (indicates number of months)
Project area:[1] Providence	$199,143 (9)

[1] Countywide unless otherwise indicated.

South Carolina

Project area:[1]	Requested food budget (indicates number of months)
Clarendon and Kershaw	$192,000 (12)
Charleston	541,611 (9)
Florence	48,031 (9)
Greenville and Rickens	192,335 (9)
Horry	58,707 (9)
Lancaster	33,633 (9)
McCormick	39,249 (9)
Richland	227,970 (9)
Total	1,333,536

[1] Countywide unless otherwise indicated.

South Dakota

Project area:[1]	Requested food budget (indicates number of months)
Gregory, Mellette, Todd, Tripp (Rosebud Sioux Reservation)	$207,765 (9)
Day, Marshall, Roberts (Lake Traverse Reservation)	85,797 (9)
Total	293,562

[1] Countywide unless otherwise indicated.

Tennessee

Project area: [1]	*Requested food budget (indicates number of months)*
Cannon, Clay, Cumberland, Dekalb, Fentress, Jackson, Macon Overton, Pickett, Putnam, Smith, Van Buren, Warren, and White	$305, 982 (9)
Davidson	693, 684 (9)
Total	$999, 666

[1] Countywide unless otherwise indicated.

Texas

Project area: [1]	*Requested food budget (indicates number of months)*
Bee	$22, 500 (9)
Bexar and San Antonio	41, 670 (9)
Bowie	49, 140 (9)
Cameron	516, 888 (9)
Dallas (City of Dallas Public Health Department)	499, 959 (9)
Dallas (University of Texas Health Service Center)	599, 013 (9)
Galveston, La Margue	149, 958 (9)
Grayson	11, 593 (9)
Hildago	649, 062 (9)
Montgomery and Walker	302, 472 (9)
Nueces	637, 222 (9)
Travis	331, 200 (9)
Willacy	125, 523 (9)
Total	3, 980, 210

[1] Countywide unless otherwise indicated.

Vermont

Project area: [1]	*Requested food budget (indicates number of months)*
Statewide (State of Vermont Department of Health)	$1, 460, 000 (9)

[1] Countywide unless otherwise indicated.

Washington

Project area: [1]	*Requested food budget (indicates number of months)*
King, Seattle (Harborview Medical Center)	$85, 500 (9)
King, Seattle (King County Department of Public Health)	401, 814 (9)
King, Seattle (Odessa Brown Children's Clinic)	26, 932 (9)
King, Seattle (Special Counseling & Continuation School)	25, 578 (9)
Pierce	97, 308 (9)
Snohomish	128, 808 (9)
Yakima, Toppenish (Farmworkers Family Health Clinic)	85,167 (9)
Yakima (pregnancy aid)	8, 009 (9)
Yakima (Southeast Yakima Community Medical Clinic)	102,466 (9)
18 counties (plan for rural areas)	728, 180 (9)
Total	1, 689, 663

[1] Countywide unless otherwise indicated.

West Virginia

	Requested food budget (indicates number of months)
Project area:[1] Fayette, McDowell, Mercer, Raleigh, and Summers	$628, 100 (9)

[1] Countywide unless otherwise indicated.

Wisconsin

	Requested food budget (indicates number of months)
Project area:[1]	
Brown and neighboring counties	$50, 094 (9)
Menominee	46, 109 (9)
Vilas	194, 750 (9)
Total	290, 953

[1] Countywide unless otherwise indicated.

Senator ALLEN. We will be in recess for approximately 15 minutes. Senator Case is scheduled to be the first witness, followed by Miss Josephine Martin.

[Short recess taken.]

Senator ALLEN. The subcommittee will please come to order.

Miss Josephine Martin, please.

STATEMENT OF JOSEPHINE MARTIN, ADMINISTRATOR, SCHOOL FOOD SERVICE PROGRAM, GEORGIA DEPARTMENT OF EDUCATION, ATLANTA, GA., AND CHAIRMAN, LEGISLATIVE COMMITTEE, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Miss MARTIN. John Perryman could not attend the hearing today, but I would like permission to file his statement for the record.

Senator ALLEN. Without objection, so ordered.

STATEMENT OF DR. JOHN PERRYMAN, EXECUTIVE DIRECTOR, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, DENVER, COLO.

Any activity which touches the lives of nearly thirty million of our nation's youth each day is a vast and penetrating one. When we further note that the means of touching these lives is the food that helps sustain life itself, we realize that this activity is at the very pulse of our population. So fundamental is school foodservice that it is sensitive to and affected by the major developments in the world around it as the following history will show:

EXTERNAL VARIABLES	INTERNAL CONSTANTS
	(1) Commodity Donation Program—1930: 74th Congress passes P.L. 320 to remove price depressing surplus foods from the market.
Depression, plummeting farm prices	(2) National School Lunch Act—1946: 79th Congress recognized the need for permanent legislation to give the school lunch program permanent status. Great emphasis was directed toward the

WWII and its aftermath, call for parity, burgeoning food supplies

Profile of school lunch program based primarily on what the farmer did not need rather than what the child did need

Congress sensitive to nutritional needs of children, provides special milk program and special assistance to needy schools

failing farm economy during this period. Tremendous agricultural surpluses during the post WWII period resulted in calls for parity. Congress, as a measure of national security, mandates policy to safeguard the health and well-being of the Nation's children through consumption of nutritious commodities and other food. Congress mandates content and quantity of school food, i.e., Type A lunches must meet minimum nutritional requirements.

Requirements:

- 1/2 pint whole milk
- 2 oz. lean meat, poultry, fish or 2 oz. cheese or 1 egg with 1/2 cup cooked dry beans or peas or 4 tablespoons peanut butter
- 3/4 cup fruit and/or vegetable
- 1 slice whole grain or enriched bread, or muffins
- 2 tablespoons butter or fortified margarine

(2) Special Milk Program—1954: Congress provided for additional funding for milk consumption increase in non-profit high schools and grades. Authorized the Commodity Credit Corporation to purchase milk and sell it to schools.

Requirements by Federal Government now:

- A. content and quantity of school food
- B. special milk program

(4) Special Assistance to Needy Schools—1962: Congress appropriated $10 million to be used for direct commodity purchase by USDA. $2.5 million of the appropriation to be used for special assistance to needy schools which had been serving free and/or reduced price lunches to at least 20 percent of the children.

Requirements by Federal Government now:

- A. content and quantity of school food
- B. special milk program
- C. special assistance program

(5) Child Nutrition Act of 1966: Congress mandates extended and expanded National School Lunch Program to safeguard the health and well-being of children. Man-

The importance of human personality

House Education and Labor Committee becomes involved in schools lunch since the Nation had become increasingly urbanized, school foodservice directed toward city-dwelling youth rather than to the farm economy

Major thrust of program moves from the Agriculture Committee to Education and Labor

White House Conference on Nutrition opens American eyes to malnutrition, hunger and nutrition education

Poverty guidelines up

dates grants-in-aid to states to more effectively meet the needs of children. Special Milk Program extended. Pilot Breakfast Program funded. Non-food assistance funds allocated for equipment. Provided for state administrative funds.

Requirements for Federal Government now:

- A. content and quantity of school food
- B. special milk program
- C. special assistance program
- D. non-food assistance
- E. administrative state funds

(6) Pilot Breakfast Program—1966: Congress initiates nutritional standards through the USDA for economically poor. Mandates breakfast free of charge or at reduced prices to children unable to pay.

Requirements by Federal Government now:

- A. content and quantity of school food
- B. special milk program
- C. special assistance program
- D. non-food assistance
- E. administrative state funds
- F. breakfast program

(7) Free and/or Reduced Price Lunches P.L. 92-153—1971: Congress mandates funding for foodservice programs for every child in need at free and/or reduced prices. No overt identification of a child receiving the meal.

Requirements of Federal Government now:

- A. content and quantity of school food
- B. special milk program
- C. special assistance program
- D. non-food assistance
- E. administrative state funds
- F. breakfast program
- G. free and/or reduced price lunches

(8) Competitive Foods Bill HR 14869, later P.L. 92-433—1972: Congress mandates amendments to the National School Lunch Act to assure adequate funds for summer foodservice programs. Competitive foods allowed. Breakfast programs expanded.

Food shortages reach crisis proportions, poor weather stifles farm production

Commodities and surpluses reach all-time lows, special milk program restricted

Meal prices frozen

Requirements of Federal Government now:

- A. content and quantity of school food
- B. special milk
- C. special assistance program
- D. non-food assistance program
- E. administrative state funds
- F. breakfast program
- G. free and/or reduced price
- H. summer food program lunches
- I. competitive foods

(9) Present—HR 9639—a bill that would provide additional Federal assistance to the school lunch and school breakfast programs. Money appropriated in lieu of commodities when commodities not available.

A recent telephone survey by our Association of purveyors and buyers in school foodservice market reflect the gravity of the situation. A few of the answers follow:

A fish company: "We are doing no bidding to the school market whatsoever. the price is moving ahead so rapidly—every three or four weeks—we cannot commit ourselves to anything."

A School Food Service Director in the southern part of the nation: "My meat bill is up 30% from last year, poultry up 103%, milk up 27%, other dairy products up 40%, canned goods up 16%. We are required by state school board policy to secure one year bids. Since no such bids are available, it is expected the policy will be changed to permit 90 day bids. We are raising all lunch prices by 10¢."

A supplier of egg and egg products: "We will do no bidding unless it is priced for immediate delivery. Our raw material is running 3½ to 4 times what is was last year."

A School Food Service Director in mid-Atlantic America: "My suppliers cannot deliver: Sliced apples, applesauce, peaches, green beans, beets, peas, carrots, sweet potatoes. Our bid procedure has been reduced from one year to six months."

A wholesale grocery firm: "Now we will take bids for two products only—ravioli and spaghetti sauce." Even these items are bid only for immediate delivery. The company had to withdraw altogether from consideration of the New York City schools' account, it simply did not have sufficient inventory available.

A Mid-continent Director: Shortage of beef and some canned fruits and vegetables. Meat and poultry prices are up 30%, bread up 10%, canned goods up 20% to 25%. Increasing price of lunches is academic since 90–95% of the children are eligible for and receive free lunches.

A meat company: "In the past we used to bid for a whole year. Now, we will not bid at all. We are getting around 20 choice cattle for slaughter each week now compared to several hundred per week just a short time ago."

A School Food Service Director in a western city: "Shortages of canned applesauce and peaches, meat and fish. Powdered eggs up 125% in price, chicken fried steakettes up 61%, ground beef up 47%, corn dogs up 27%, cheese up 10%, ham up 6%."

A packer of fruits and vegetables: "This year's crop of peas and green beans already oversold—there will be no more until next year. Corn is just now being packed and already running short."

Nor is the answer to be found by turning to "cheap" substitutes. Rice has risen from $5.54 per hundred weight a year ago to $10.70, soybeans from $3.36 last August to $8.99 per bushel this August.

Unable to withstand the contradictory pressures of the moment, many school districts in my considered judgment will either padlock their lunchrooms or withdraw from the federal program unless quick relief is forthcoming from the federal government. There seems no other source from which help can come. Local school boards are already hard-pressed to meet the financial demands made upon them, and sharply increased meal prices will only drive down participation and drive costs up. The $1.00 school lunch can clearly be seen on the horizon. The well-to-do can pay and the poor don't have to pay. Again, it is the millions of middle-American families that will suffer.

In the face of this dilemma, if the federal government were ever to go to Revenue Sharing, and give local Boards of Education the option of using their beleaguered nutrition dollars elsewhere, I believe districts would desert the program in droves.

It seems inconceivable that a program which has served our nation so admirably for more than a quarter of a century could now be in jeopardy but it is.

Senator ALLEN. We are delighted to have all of you visit and give us the benefit of your views. I know we will profit by your testimony and will learn from you the state of affairs in the school lunch program and breakfast program. I thank you all three for making a very significant contribution in your work in this field. I know that you have all been helpful to the committee in the past and we look forward to hearing your testimony at this time.

So you may proceed in any way you wish.

Do each of you have a statement?

Miss MARTIN. Yes. And we would like to have those filed in the record because I think each of us will brief our statements. However, I would like to refer closely to mine.

Senator ALLEN. Very well, without objection, the statements will be inserted.

Miss MARTIN. Thank you, sir. My name is Josephine Martin. I am administrator of the Georgia school food service program and chairman of the American School Food Service Association Legislative Committee. I am here today representing the 60,000 member American School Food Service Association whose primary purpose is the improvement of child nutrition. I welcome the opportunity to testify in support of S. 1063 and S. 1005, S. 2409 and Senator Humphrey's amendments.

First, Mr. Chairman, I wish to thank you and the members of the Agriculture and Forestry Committee for enactment of progressive and emergency legislation in the area of child nutrition. Under your leadership, school food service in the United States has been reformed. Each of these laws enacted since 1970 has made a specific dynamic contribution toward the goal of "putting an end to hunger in America's classrooms" and to the broader goal of school nutrition programs as a right for all children.

As dramatic as the growth has been since 1970, the task is not finished. There are still 18,000 schools without food service, 2 million needy children are not being reached, and several million children for whom breakfast should be provided.

S. 1063, the Child Nutrition Education Act of 1973 fills many gaps in the current legislation.

Enactment of S. 1063 would, in my judgment, preclude the "school lunch panic" which seems to have become an annual affair. We apologize for having to come each September to plead for pennies to continue the program which is so essential to the education of youth. But we have no choice. Each year, since 1970, we have been faced with an obstacle that could only be resolved by congressional action.

Although we fully support all provisions of the bill, the present crisis reflected in the following three issues, compels us to focus our attention on those provisions of S. 1063 which will provide immediate financial relief.

These issues are:

(1) The cost of food is up 28 percent over a year ago.

(2) The sale price of lunches to children is pricing moderate income families out of school lunch.

(3) Lack of funds for free meals will result in smaller servings and lowered meal quality, and less service to economically needy children.

Today then, we come to you asking your help for legislation to meet the current financial crisis in school food service, which undoubtedly is the most severe yet to be encountered. As a minimum, schools need higher rates of section 4 funds and section 11 funds for lunch and higher rates for breakfast; assurance of 7 cents value for commodities either in donated foods or in cash in order to keep the sale price increase within limits. Food prices have skyrocketed; not only pork and beef (when available), but chicken which schools have so heavily relied on because of its price and popularity has doubled in price. The same price situation is true across the board—fruits and vegetables, potatoes and beans, as well as milk.

On September 10 the Bureau of Labor Statistics reported that the consumer finished food index increased 28 percent from August 1972 to August 1973. Using this measure to project national cost increases in 1973–74, schools will spend approximately 9 cents more for food than last school year.

On March 1, 1973, when Senator Humphrey introduced S. 1063, provision for a 2-cent increase in section 4 funds appeared to be sufficient to meet the food cost increases; since March, however, food costs have skyrocketed. We appeal to you to provide the minimum of 12 cents per lunch from section 4 funds, as Senator Humphrey, McGovern, and Clark have also asked for this morning.

While schools are only in the first weeks of the new term, and limited reports are available, participation is definitely reduced in those schools where the sale prices have increased. In Cobb County, Ga., home of Lockheed Aircraft, the sale price was increased a nickel, and a random sampling of schools indicates a 5-percent decrease in participation; DeKalb county schools has an 11-percent decline with a 10-cent increase.

A practice which seems to be catching on with middle income families was prevalent for poor children a few years ago before legislation corrected it. The practice is for parents to permit children to buy lunches 2 or 3 days each week, and bring lunches on other days. Lunches from home which meet nutritional needs cost just as much as lunch at school. Most home packed lunches do not provide the nutrients needed.

All children need lunch at school. The National School Lunch Act of 1946, envisioned a nutrition program for all children. The present economy may inundate that worthy goal unless schools receive financial assistance. Two years ago we asked for emergency help to make lunches available to economically needy children. Today that battle line for child nutrition is extended to help the child from moderate income homes. Schools need increased funds to keep the sale price within reach of children who do not qualify for free or reduced lunches.

We know that lunch at school is still the best nutritional and financial bargain available in food, however, many moderate income families, hard-hit by every aspect of inflation, simply cannot afford the increased tariffs of 5 or 15 cents per lunch. Moderate income could mean a family of four with $6,500 annual income. Although a nickel sounds minute, when annualized it is $9 per child; multiply that by four children and apply it to the budget of a moderate income family. Or a 10 cents increase annualized is $18 per child.

An article in a recent issue of U.S. News & World Report entitled "An Official Look at Family Incomes" reported:

(1) The median family income in 1972 was $11,116; 69 percent of the income has been eroded by higher prices ($7,866).

(2) Only 22 percent of family incomes exceed $20,000.

(3) 56 percent of families have income of $12,000 or less.

(4) The number of poor nonwhites actually increased in 1972.

This information supports the need for higher section 4 reimbursement to allow schools to have reasonable sale prices. We hear, "Let the children from affluent homes pay another nickel." The report from U.S. News indicates that most of the children are not from "affluent income" but from moderate income families. Many of the children are from homes where the family income is just above the "eligibility level." During this year of severely increased costs, an increase in income eligibility level for reduced meals would provide immeasurable assistance to those families just above current eligibility level. I have enclosed a table which contains eligibility standards and indicates the income range which would benefit from an increase in eligibility for reduced lunches to 75 percent of the Secretary's guidelines.

I've spent considerable time presenting the need for increased section 4 funds because section 4 applies to all meals. It is essential that a stable base be provided for the program and that stable base is section 4. The need for increased special assistance funds as provided in section 10 of S. 1063 is equally as great.

Senator ALLEN. Excuse me just a moment.

Are all reduced price meals reduced the same amount or is there flexible reduction?

Miss MARTIN. Within a school system all have to be reduced the same amount. The maximum price that can be charged for a reduced price lunch is 20 cents, but within a system, the free and reduced meal policies require that all be the same price.

Senator ALLEN. What is the comparison between the reduced priced lunches and the free lunches in number?

Miss MARTIN. Nationally, I believe it is about 2 percent of the lunches served reduced and maybe 33 or 34 percent served free. There is a very small percentage of families taking advantage of the reduced price.

Senator ALLEN. Only about 36 percent, then, are free or reduced.

Miss MARTIN. Yes.

Senator ALLEN. That percentage is going up, though, every year, isn't it?

Miss MARTIN. Yes, because as the eligibility scale is increased, the number will be increased.

Both the present level of 40 cents for free meals and the ceiling of 60 cents are inadequate. Unless the special assistance rate is increased, schools will have to reduce the quantity of food or the quality of food, or in many instances both. Either alternative would be unfortunate. For many children, lunch is the best meal eaten during the day. To maintain the momentum of serving lunches to 8.9 million needy children, schools must have additional support. Public Law 91-248 requires that the school provide meals to children who qualify for a free or reduced price meal. The present economy and existing level of assistance places local administrators in an impossible position. Section 10 of S. 1063 combined with increased section 4 funds will provide assistance to meet the mandate of Public Law 91-248.

This morning the Secretary referred to his approval of 45 cents as an average payment and his statement indicated that they presently have 43 cents, I believe, budgeted on an average basis. There is a tremendous difference in his interpretation of 45 cents and our interpretation of 45 cents. His interpretation arrives at 43 cents in the present budget by including those schools which are approved for specially needy lunches and getting up to 60 cents. So he is averaging out. S. 1063 provides a minimum of 45 cents special assistance, or the additional money for especially needy meals. We feel that 45 cents minimum or the cost of the meal is essential rather than the 45 cents as an average.

One other problem in connection with specially needy and averaging out the 43 or the 45 cents, many States have had extreme difficulty in getting USDA's approval to pay rates in excess of 40 cents, and I think perhaps Mrs. Ball will be able to address this more specifically because her school system was especially needy last year and she has been advised that they will not have especially needy rates this year.

Senator ALLEN. Now, excuse me a moment.

The Secretary's statement there on page 5, six lines from the bottom, we concur in this bill's proposal to insure an average payment of 45 cents. I think we ought to ask the Secretary, and I will ask the staff to inquire of the Secretary as to just what is meant, because there is an inconsistency there because Senator Humphrey's bill doesn't provide for an average of 45 cents. I assume it is a 45-cent minimum. He says we concur in this bill's proposal, so I believe there is a good chance that he means 45 cents and not 45 cents average. So I would like to address that question to Mr. Yeutter and get that clarified, and I have asked him to present a memorandum as to each section of all bills stating the administration's position, and I believe we will get that. I really don't believe he had in mind this averaging it out, which would probably run it down to about what it is now. By saying we concur in this bill's proposal I believe he meant to go along with the 45 cents.

Miss MARTIN. I am extremely hopeful, because the schools certainly do need the minimum of 45 cents and the States need authority to pay the higher rates in the specially needy schools as S. 1063 provides.

Then I would like to comment on the matter of donated foods.

Section 11 of S. 1063 will require USDA to make cash payments where there is a shortfall in donated foods. Without the emergency legislation, Public Law 93–13, enacted in March 1973, many schools could not have continued the food service program. Donated foods have long provided the staple items of school food service. Only 2 years ago Georgia schools averaged using 10 cents worth of donated foods per meal. Although the 1974 budget includes 7 cents worth of donated foods, the outlook for purchases is dismal. Even if there are purchases, they represent about 5 cents in value. To date, schools have received very few commodities. Local systems are encountering difficulties in purchasing foods; some districts have, of necessity, abandoned competitive bidding and are purchasing on the open market. If a vendor cannot supply the school district serving 30,000 children, it is not too realistic to suspect that the USDA can make purchases that are large enough to supply food for 23 million children.

We are aware that the new farm bill authorizes USDA to use section 32 funds to purchase commodities which may not be in short supply. Considering the present food supply, we doubt that the USDA can purchase the basic foods that schools need for the lunch and breakfast program in accordance with amounts budgeted. Section 11 of S. 1063 provides insurance for local systems that they can count on receiving either the foods or equivalent cash.

The breakfast program has not escaped the crisis of shortages and costs. Valdosta superintendent, Foster Goolsby's letter, appendix B, summarizes the problem. With the price of eggs having increased as much as 40 cents a dozen, or 3¼ cents per egg, and the price of milk up at least 1 cent per half pint, the breakfast program cannot be continued on the 20-cent rate of reimbursement. Some schools are reluctant to start a breakfast program because the program primarily reaches needy children—about 80 percent of the breakfasts are free—and legislation limits Federal assistance to food costs; and therefore, the school has no money to pay the cost of labor or nonfood supplies. Section 4 of S. 1063 will correct these inequities which will encourage schools to continue breakfast and in many instances to begin the program.

Mr. Chairman, we feel that the four provisions of S. 1063 contained in section 4, section 7, section 10, and section 11 will provide schools with financial relief necessary to continue the quality of food service to young people. These are the minimum essentials needed now.

The concept contained in the provision of S. 1063 for changing the method of funding for State administrative expenses has the approval of State school food service directors. However, the State school food service directors would recommend a slight change in the language to make the provision more relevant for all States. If not presumptuous, I would submit proposed language for section 3.

The current crisis focuses attention on the need for nutrition and food education for all pupils. The growing body of research relating diet to health; the increasing cost of health care; the present shortage and high cost of food; the technology of synthetic foods; nutritional labeling are but a few reasons for finding ways to utilize school food service as a laboratory for supporting classroom teaching. Section 2 of S. 1063 would make resources available in those schools that elected to teach nutrition. In my judgment, there is a growing national awareness of the need for nutrition education. Schools need help to use the cafeteria to provide nutrition education. An educated citizenry is one that has basic knowledge to make decisions for effective living.

Finally, I wish to comment on the need for restoration of the special milk program for all schools. This year, many more children are bringing lunches from home because of increased sale prices, and these children will have to pay 10 cents for half pint of milk simply because they attend a school which offers a meal. Children eligible for free milk can no longer be served. During 1972–73, Georgia schools served 24,000 half pints of milk daily at no cost to poor children. Because of inadequate funds, labor problems, and scheduling considerations, not every school can have a breakfast program. Schools can make milk available with minimum logistical problems and costs.

We appreciate this opportunity to appear before the subcommittee this morning. We urge your support and early passage of legislation to help schools meet the current crisis and to provide future stability of child nutrition programs.

Senator ALLEN. Thank you very much. Miss Martin. Do you have any comments that you want to put in at this time?

Miss MARTIN. I have filed a copy of my statement, and my statement has three attachments. One is the emergency declaration of the American School Services on food served in child nutrition services. I also have the attachment comparing the cost of a lunch brought from home with a lunch at school. And the third exhibit is a letter from a superintendent in south Georgia talking about the problem with the school breakfast program. This letter indicated, Mr. Chairman, that last year Valdosta lost nearly $6,000 on the school breakfast program and he said the advantages of the breakfast program have been discussed at length with principals and teachers. All feel that breakfast programs should be continued because it reduces tardiness, absences, and students participating appear to be more alert in the classroom. However, due to the existing economic conditions in our lunch program we feel we cannot continue to operate the program at a deficit. What do you advise? Mr. Chairman, I have no additional money to give this school system, so I sincerely hope the rates for breakfast will be increased and I would like to have these documents included.

Senator ALLEN. Thank you very much, and without objection they will be included in the record.

I have a message from Secretary Yeutter to the effect that USDA's interpretation that it will pay 45 cents for each free lunch served in schools authorized to go to 60 cents, identical to section 4, whether that answers your question or not, that is the language we have from him.

Miss MARTIN. I believe, then, that would mean he is averaging out.

Senator ALLEN. He wants 45 cents.

Mr. SEARING. 45 cents each lunch.

Miss MARTIN. In schools authorized to go to 60 cents.

Mr. SEARING. They can go to 60 cents if they want to or less if they want to.

Senator ALLEN. 45 cents, they would pay 8 cents for every meal served whether free or reduced price and 7 cents in commodities or equivalent in cash, which would mean that the Federal Government under the Department interpretation would be paying 60 cents for each meal in effect in cash or commodity. Is that correct?

Mr. SEARING. Yes.

Senator ALLEN. Is that your understanding of what the Secretary is willing to do?

Miss MARTIN. If this concurrence is 45 cents for each free lunch, yes.

Senator ALLEN. What I take into account also, Miss Martin, is that 8 cents applies to every meal served, and as you pointed out, only a little more than a third are getting free or reduced price lunches, so actually that 8 cents, applicable to the free/reduced price lunches would really jump to 24 cents in effect to apply to the free and reduced price lunches. So there is a pretty substantial Federal payment. So that would be 45 cents, in effect 24, as three times eight plus the settlement.

Miss MARTIN. We would hope, Mr. Chairman, that the Congress would continue its commitment to providing assistance for lunches served to all children.

Senator ALLEN. Oh, yes, no question about that. That is what the 8 cents does apply to, of course.

I see Senator Case here.

Mr. Searing, if you would wait on your testimony so that we can hear from him on the bill that he has.

Senator Case, would you come around, please.

I know you have other engagements on the floor. We are delighted to have you here to testify on behalf of your bill and on behalf of the child nutrition program in general. We are delighted to have you here and look forward to hearing your testimony.

STATEMENT OF HON. CLIFFORD P. CASE, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator CASE. Thank you, Mr. Chairman.

It is always a pleasure and privilege to appear before your subcommittee. You are most generous to let me interrupt your proceedings at this time in view of the pressures you have referred to.

I come before the committee today to urge immediate adoption of emergency legislation on behalf of child nutrition programs introduced by Senator McGovern, Senator Humphrey and myself.

The most pressing matter before the committee is the impact of rapidly rising prices on our child nutrition programs. Price increases affect all Americans, but especially those children who pay for their school lunch or who get the lunch as part of a reduced price program.

The basic subsidy provided by the Federal Government is now only 8 cents per lunch. This subsidy goes to all children, regardless of family income. In light of food price increases in the last year of up to 20 percent, which has meant in my own State an increase in price of 5 to 10 cents per meal, the 8 cent basic subsidy should be increased, at a minimum, to 12 cents.

Working poor families are hit hard especially this year by rapidly increasing food prices. These families live close to the bone as it is. And many cannot take advantage of the reduced price lunch program because their incomes are slightly above the current income guidelines.

Present regulations make reduced price lunches available to those whose incomes do not exceed $6,300 per year. Under our proposal, more of the working people of this country would be included by raising the guideline to slightly more than $7,300 for a family of four.

Equally important is the need to continue the special milk program. Milk prices have gone up as much as 15 cents per half pint. They may go higher. For reasons I cannot fathom, the Department of Agriculture has restricted the milk subsidy to those schools that do not have the lunch program, even though the subsidy was available to children in all schools previously. Many parents prefer to prepare lunch for their children, but do take advantage of the reduced price milk program. Others want their children to have milk as a mid-morning snack. Milk should be available in all schools on a reduced price basis, and needy children should be eligible for free milk.

The legislation we propose contains a number of other important provisions, including one that will mandate school lunches in public schools if any one school in a district adopts the lunch program. The basic idea behind this provision is to insure that all needy children who qualify for free and reduced price lunches can get them at school. Equally important is the need to press the Department of Agriculture to do what it can to get the school lunch program going in areas where participation is low.

Last year, in my own State, a non-profit community-based organization made an energetic effort to establish the school lunch program in schools in Hudson County, N.J. Over 125,000 children are eligible to participate in the lunch program in Hudson County, of which 30,000 children are eligible for free lunches. Yet Hudson County has not expanded its lunch program because the Department of Agriculture has blocked this grass roots effort by refusing to fund the program even though the community organization qualifies to run the program.

This new provision will create the necessary climate to insure that all children who are entitled to take advantage of the school lunch program can do so.

There is one other matter of great concern to me to which, I was glad to learn, this committee is also giving consideration. This is my bill to restore the Secretary of Agriculture's authority to restrict the sale of competitive foods such as cake, soda pop and candy in school cafeterias. My amendment passed the Senate last year, but was dropped in conference despite the fact that the House of Representatives approved in somewhat different form a provision which restricted competitive food sales to nutritious food items. I urge the committee to incorporate the amendment in the pending bill.

The object of the lunch program is to feed children adequately and insure nutritional balance. Beyond that immediate goal, the lunch program should help educate children in good nutritional practices. These dual goals are defeated if children are baited by advertising into purchases of empty-calorie foods.

I have two attachments, if I might, Mr. Chairman, go over them at this time.

Senator ALLEN. Yes.

Senator CASE. An editorial from the Newark Star of September 8 in favor of the restoration of the school milk program and then a statement which I have been asked to present to you whereby the

American Dental Association, in regard to my bill and its provisions in respect to vending machines in schools. If I may present them for the record I would appreciate it.

Senator **Allen**. Without objection, the editorials will be inserted in the record.

Senator **Case**. I am most grateful for you allowing me to appear before you, Senator Allen.

Senator **Allen**. The main question I want to ask is what difference, if any, there is between your bill on the Secretary of Agriculture's authority on the vending machine, S. 1005, what is the difference between your bill and the amendment to section 10 that is proposed by the Humphrey bill?

Senator **Case**. Just one second, Mr. Chairman, until I get the precise point here.

Senator **Allen**. In effect it would do the same thing.

Senator **Case**. That is right, the Humphrey bill permits the sale of nutritious foods, whereas my bill would leave it in the hands of the Secretary of Agriculture with full authority.

Senator **Allen**. The Secretary testified this morning that they had called on the State systems or the school systems to come up with guidelines in this area. I believe he said the 20 systems or 20 States, I am not sure which, had complied, and he stated that the Department would like to continue under the present law for a time. They were mandated to handle it in this fashion only last September or October and might have a further look at it later. But you want to have your bill acted on by the committee?

Senator **Case**. I do urge this, Mr. Chairman. For years the Department of Agriculture had the authority to deal with this matter, and I think it did it in an intelligent, sensible way. I think the unfortunate thing was the break in that authority which occurred recently, and I do hope that it will be restored in substance.

I am not against vending machines as such, and there may be ways in which they can be permitted, without harming our basic goal, but human beings being what they are, human nature what it is, the pressure of economic interest being what it is, there is nothing evil in it, but I am not interested in having the Federal Government waste any penny of the money that it spends to try to help better nutrition and I think we would be doing that by continuing the current, and I hope temporary, provision that took away the Secretary's authority.

Senator **Allen**. Thank you very much, Senator Case, for coming before the committee and giving us the benefit of your views.

[The material above-referred to follows:]

[Editorial from the Newark Star Ledger, Sept. 8, 1973]

CURDLING ACTION

More than 40 million school children will have do with milkless luncheons when they return to classes this week—unless their local communities or their parents pick up the slack created by the Nixon Administration's thoughtless budget pruning.

The government subsidy for the school milk program last year was $95 million, but the White House budget called for only $25 million, a sharp slash that leaves only enough milk funding for about six million children in schools without lunch programs.

The Senate restored the full $97 million appropriation but the House approved the President's cutback. Until a compromise is reached by the two legislative bodies, there will be no funds available for subsidized milk. The Agriculture Department will use surplus funds from daycare centers and camps to provide milk for schools without lunch programs.

This ill-advised economy comes at a difficult time: The prices of milk and food are at all-time highs, putting strains on family budgets and raising the possibility of less food spending, especially for poorer families.

For a supposedly child-oriented society, the actions of the President and the House are basically irresponsible. Taking milk out of the mouths of children is inexcusable, regardless of the cause. We suggest that milk subsidies could be more than offset by prudenting cutting of the bloated military appropriation.

STATEMENT OF DR. LOUIS A. SAPORITO, PRESIDENT, THE AMERICAN DENTAL ASSOCIATION

The American Dental Association appreciates this opportunity to present its views on S. 1005, a bill to amend the National School Lunch Act, introduced by Senator Clifford P. Case of New Jersey.

The Association strongly supports section one of the bill which would repeal that section of the Child Nutrition Act that now allows the sale of snack foods through vending machines in direct competition with the regular food service programs provided in school lunchrooms. The Association is also pleased to support section two of the bill to establish school nutrition education programs. Nutrition education is a large and important part of the practice of preventive dentistry.

The Association concerns in this area are based on the experience of the over 100,000 active members who regularly witness the unnecessary destruction of young, sound teeth by the misguided nutritional attitudes and habits of school age children.

The availability of confectionary and soft drink vending machines in schools is something that has concerned the Association for some months now since changes were made by Congress in the school lunch programs authorized under the Child Nutrition Act. The Association opposed those changes, which opened the door to placement in schools of vending machines, and we continue to do so. Our opposition is not directed toward vending machines as such. Nor is it an attempt to gratuitously limit the appropriate freedom of choice that children of a certain age are entitled to exercise. The source of our opposition is that, weighing the conflicting claims, we think the balance clearly tips in favor of reestablishing, the authority to regulate the sale of food items in competition with the programs carried out under the act just cited. Briefly, these are the reasons that lead our Association to this position.

Dental disease is, as you know, rampant in the United States. Of the various manifestations of dental disease, tooth decay is by far the most common. It is also one of the most preventable. Reasonable adherence to a few simple rules of oral hygiene would prevent most tooth decay from occurring. One of those rules is to eat a balanced diet or, to put it more sharply in the negative, to avoid a diet heavy in sugar-rich foods. Such a rule is also of paramount importance with respect to a person's general health since most sugar-rich foods, advertising to the contrary, are of negligible nutritional value.

Among the various age groups in America, more than $2 billion is now being annually spent to repair the ravages of tooth decay. The total dental health bill of the nation amounts to nearly $5 billion of which the $2 billion spent for restoration of decayed teeth is the single most significant expenditure. It is not difficult to think of better uses to which that amount of money could be put within the field of dental care.

Children suffer particularly from tooth decay. By the time a child is 14 years of age, more than a third of his teeth have already become decayed. It is hard to imagine another childhood aliment that is so preventable and yet so prevalent.

Various forces are exerted upon a child during his formative years with respect to diet. Those that favor good dietary habits include, or should include, parental training by both precept and example, dental health education courses in school and regular visits to the dentist. A child that has all these benefits is fortunate indeed. A child who lacks one or more of them is, of course, even more vulnerable than he otherwise would be to the development of bad dietary habits.

But every child is vulnerable because of our society's eating habits. A number of distinguished nutritionists, including some who specialize in oral health, have testified earlier this year before the Select Committee on Nutrition and Human Needs. They confirm the involvement of sucrose (common table sugar) in the etiology of tooth decay and call attention to the barrage of advertisements to which children are subjected on behalf of foods that are laden with sugar and of little nutritional value. It is the barrage of advertising for such products, of course, that constitutes the main pressure on children to move away from good dietary habits. They are implored many times a day to consume breakfast cereals that are, as one noted nutritionist put it, really vitamin-supplemented candy, as well as hard or sticky confections and an enormous array of other snack foods.

The school experience, I think it can be agreed, is not a refuge from life but a preparation for it. Schools ought to be teaching their students about our total society, both its virtues and its drawbacks. But we don't think it is at all rational to desire or permit schools to themselves become a source of temptation toward the less satisfactory aspects of our life. It is irrational to ask a child to take a course in health education at 11:00 in the morning and, at noon, send him to a cafeteria where vending machines offer him an array of precisely those kinds of foods—perhaps I should say non-foods,—against which we just warned him.

As a child develops and approaches full maturity, it is true that he can rightfully expect to exercise greater freedom of choice at 16 than at 6. Again, however, that does not seem to our Association to be a sufficiently weighty argument to justify transforming the school into a source of supply for whatever some may desire if it distorts the central purpose of an educational institution.

It is also sometimes pointed out that the proceeds from vending machines sales are, in some schools, used for highly laudable purposes. That clearly poses a difficult problem. Every parent or parent-teacher group wants its school to have the finest equipment, resource materials and so forth. Schools are often hard pressed to find the funds to purchase what they should have. All of us, as citizens, need to be sympathetically alert to that need and be responsive in meeting it. When all is said and done, however, it is hardly defensible educational policy to tempt a child to rot his teeth in order for his school to have more athletic equipment or better band uniforms.

As in most situations, prudent choices must be made, the advantages and disadvantages of alternate choices must be weighed in the balance. However, judged, the presence of vending machines in schools, machines that offer sugar-laden foods that injure oral health and offer no genuine nutritional advantage, seems to us to be bad.

The American Dental Association strongly urges the inclusion of statutory authority to regulate the sale of food items in competition with programs authorized under the Child Nutrition Act. The Association supports S. 1005 introduced by Senator Case and hopes that these views will be placed in the permanent hearing record.

Senator Allen. Before we ask you to testify, Mr. Searing, Miss Martin, how would you word the 45-cent figure to take care of the point you have been making?

Miss Martin. Mr. Chairman, the language in S. 1063 does provide for the minimum. "The Secretary shall prescribe a special assistance factor for free lunches of not less than 45 cents and a special assistance factor for reduced price lunches." So the language on lines 15 and 16 of S. 1603 would take care of the needs for schools for special assistance.

Senator Allen. Wherein is that different from what the Secretary says he is willing to do?

Miss Martin. The Secretary indicates an average. So this would mean that some could get 40 cents and more could get up to 50 cents. But this provides not less than or the cost of the meal.

Senator Allen. Well, I understand that is what he agreed to. I don't believe his position is different from the bill. His memorandum said 45 cents for each free meal served. It seems to me to be identical. Possibly you see a difference.

Miss Martin. Then if there is no difference, then when he gives you his analysis of the bills then he wouldn't object to this language that is presently in S. 1063 I suppose?

Senator Allen. It is my impression he would not. I have asked him to state their position on each section of the bill, and I think we will have that before this bill gets up to the full committee.

[The prepared statement of Miss Martin follows:]

Miss Martin. Mr. Chairman and members of the committee, my name is Josephine Martin. I am administrator of the Georgia school food service program and chairman of the American School Food Service Association Legislative Committee. I am here today representing the 60,000-member American School Food Service Association whose primary purpose is the improvement of child nutrition. I welcome the opportunity to testify in support of S. 1063 and S. 1005.

First, Mr. Chairman, I wish to thank you and the members of the Agriculture and Forestry Committee for enactment of progressive and emergency legislation in the area of child nutrition. Under your leadership, school food service in the United States has been reformed. The Child Nutrition Act of 1966, which established the breakfast program; Public Law 91–248, the bill that assured every economically needy child the right to a lunch at school; Public Law 92–153, the bill that guaranteed funds to provide the economically needy child a lunch; Public Law 92–433, the bill that increased section 4 funds from 6 to 8 cents and extended the breakfast program for all children, and Public Law 93–13, the bill which required USDA to provide cash to schools where donated foods were not available. Each of these laws has made a specific dynamic contribution toward the goal of "putting an end to hunger in America's classrooms" and to the broader goal of school nutrition programs as a right for all children.

As dramatic as the growth has been since 1970, the task is not finished. There are still 18,000 schools without food service. 2 million needy children are not being reached, and several million children for whom breakfast should be provided. Nutrition education hardly is being taught, while research is telling us more and more about the direct relationships between nutrition and physical, emotional, and mental health and development; the stability of the program is threatened by the annual financial crisis which evolves.

Senate 1063, the Child Nutrition Education Act of 1973 fills many gaps in the current legislation; it provides a framework for program expansion, and simplifies administration of child nutrition programs. Senate 1063 contains necessary legislative provisions and funding authorities essential to maintaining the dynamic growth experienced since 1970, and provisions which will make child nutrition programs more responsive to nutritional needs of children.

Enactment of Senate 1063 would, in my judgment, preclude the "school lunch panic" which seems to have become an annual affair. We apologize for having to come each September to plead for pennies to continue the program which is so essential to the education of youth. But we have no choice. Each year, since 1970, we have been faced with an obstacle that could only be resolved by congressional action.

Mr. Chairman and members of the committee, ASFSA asks you for help. Senate 1063 contains provisions for immediate relief, and provisions which are conducive to financial stability of the program, an ingredient essential to effective program management.

SENATE 1063

A. Provides immediate financial assistance by:

(1) Increasing level of section 4 funds to 10 cents per meal and providing an escalator clause to relate reimbursement to food and labor costs.

(2) Increasing level of section 11 funds to 45 cents per lunch with an escalator clause.

(3) Providing for cash payments in lieu of commodities when a commodity short-fall develops.

(4) Increasing breakfast reimbursement to 8 and 28 cents for paid and free meals.

(5) Providing for a new method of funding State administration expenses.

(6) Increasing authorization for nonfood assistance.

(7) Provides for all schools to participate.

B. Establishes a program of nutrition education and provides for standards for foods served in schools.

C. Provides a framework for cooperative development of regulations.

Although, we fully support all provisions of the bill, the present crisis reflected in the following three issues, compels us to focus our attenion on those provisions of S. 1063 which will provide immediate financial relief.

These issues are:

(1) The cost of food is up 28 percent.

(2) The sale price of lunches to children is pricing moderate income families out of school lunch.

(3) Lack of funds for free meals will result in smaller servings and lower meal quality.

Many local districts are waiting to see what action Congress takes before deciding the size of the sale price increase.

Today then, we come to you asking your help for legislation to meet the current financial crisis in school food service, which undoubtedly is the most severe yet to be encountered. As a minimum, schools need higher rates of section 4 funds and section 11 funds for lunch and higher rates for breakfast; assurance of a 7-cent value either in donated foods or in cash in order to keep the sale price increase within limits. Food prices have skyrocketed; not only pork and beef—when available—but chicken which schools have so heavily relied on because of its price and popularity has doubled in price. The same price situation is true across the board—fruits and vegetables, potatoes and beans, as well as milk.

The following table shows how certain foods have increase in price since September 1972, and the impact of the increase on a school lunch:

FOOD COST COMPARISONS

	Ground beef		Per serving	Chicken		Per serving	Frankfurters		Per serving	Fish squares		Per servin
	1972	1973		1972	1973		1972	1973		1972	1973	
Savannah, Ga	$0.845	$1.05	$0.04	$0.38	$0.80	$0.08	$0.6975	$0.989	$0.04	$$0.42	$0.539	
Caswell County, N.C.	.63	.99	.06	.38	.69	.06	.064	$.95	.31			
Albany, Ga	.615	.945	.067									
St. Louis, Mo	.74	1.29	.11				.65	.9925	.04			

Note: The cost of milk has increased from 1 to 3 cents per half pint—Caswell, N.C., 1⅓ cents; Jefferson County, Ala., 1 7/10 cents; Jonesboro, Ga., 1 cent; Brevard County, Fla., is paying 10.3 cents.

On September 10 the Bureau of Labor Statistics reported that the consumer finished food index increased 28 percent from August 1972 to August 1973. Using this measure to project national increase costs in 1973–74, schools will spend approximately 9 cents more for food than last school year.

A glance at the average cost of producing a meal in Georgia in 1972–73, compared with the projected cost for 1973–74, based on the aforementioned increases explains the alarm and panic of school food service operators.

COST OF PRODUCING A SCHOOL LUNCH IN GEORGIA

[In cents]

	1972–73	1973–74 (projected)	Difference
Elementary schools:			
Food	25.4	30.0	4.6
Labor	19.7	22.2	2.5
Other	2.4	3.0	.6
Total	47.5	55.2	7.7
High schools:			
Food	30.5	36.6	6.1
Labor	19.7	22.2	2.5
Other	2.4	3.0	.6
Total	52.6	61.8	9.1

On March 1, 1972, when Senator Humphrey introduced S. 1063, provision for a 2 cents increase in section 4 funds appeared to be sufficient to meet the food cost increases; since March, however, food costs have skyrocketed. We appeal to you to provide a minimum of 12 cents per lunch from section 4 funds.

Exorbitant food costs has made it necessary for many school districts to increase sale prices to pupils 5, 10, or even 15 cents. Other districts await congressional action before determining increase. Even with a 4 cents increase in section 4 funds, most schools will need an additional nickel to meet costs. A USDA study of the impact of sale price increase on pupil participation revealed a direct relationship between sale price increase and decreased pupil participation. The study indicated that for each 1 cent increase in sale price, participation declined 1 percent. Nationally, a 5 percent decline would mean that 750,000 children who received lunches last year would no longer buy lunch.

While schools are only in the first weeks of the new term, and limited reports are available, participation is definitely reduced in those schools where the sale prices have been increased. In Cobb County, Ga., home of Lockheed Aircraft, the sale price was increased a nickel, and a random sampling of schools indicates a 5 percent decrease in participation; DeKalb County Schools has an 11 percent decline with a 10 cents increase.

A practice which seems to be catching on with middle income families was prevalent for poor children a few years ago before legislation corrected it. The practice is for parents to permit children to buy lunches 2 or 3 days each week, and bring lunches on other days. Lunches from home which meet nutritional needs cost just as much as lunch at school. Most home packed lunches do not provide the nutrients needed. [Appendix A]

All children need lunch at school. The National School Lunch Act of 1946, envisioned a nutrition program for all children. The present economy may inundate that worthy goal unless schools receive financial assistance. Two years ago we asked for emergency help to make lunches available to economically needy children. Today that battle line for child nutrition is extended to help the child from moderate income homes. Schools need increased funds to keep the sale price within reach of children who do not qualify for free or reduced lunches.

We know that lunch at school is still the best nutritional and financial bargain available in food, however, many moderate income families, hard-hit by every aspect of inflation, simply cannot afford the increased tariffs of 5 or 15 cents per lunch. Moderate income could mean a family of four with $6.500 annual income. Although a nickel sounds minute, when annualized it is $9.00 per child; multiply that by four children and apply it to the budget of a moderate income family. Or a 10 cents increase annualized is $18.00 per child.

An article in a recent issue of U.S. News and World Reports entitled " An Official Look at Family Incomes" reported:

(1) The median family income in 1972 was $11,116; 60 percent of the income has been eroded by higher prices ($7,866).
(2) Only 22 percent of family incomes exceed $20,000.
(3) 56 percent of families have income of $12,000 or less.
(4) The number of poor non-white actually increased in 1972.

This information supports the need for higher section 4 reimbursement to allow schools to have reasonable sale prices. We hear, "Let the children from affluent homes pay another nickel." The report from U.S. News indicates that most of the children are not from "affluent income" but from moderate income families. Many of the children are from homes where the family income is just above the "eligibility level." During this year of severely increased costs, an increase in income eligibility level for reduced meals would provide immeasurable assistance to those families just above current eligibility level. The following table contains eligibility standards and indicates the income range which would benefit from an increase in eligibility for reduced lunches to 75 percent of the Secretary's guidelines.

INCOME POVERTY GUIDELINES, FISCAL YEAR 1974 (48 STATES, DISTRICT OF COLUMBIA AND TERRITORIES)

	Secretary's guidelines, fiscal year 1974	Guideline levels when increased by—		
		25 percent	50 percent	75 percent
Family size:				
1	2, 190	2, 740	3, 280	3, 833
2	2, 880	3, 600	4, 320	5, 040
3	3, 570	4, 460	5, 360	6, 248
4	4, 250	5, 310	6, 380	7, 438
5	4, 880	6, 100	7, 320	8, 540
6	5, 510	6, 890	8, 260	9, 643
7	6, 080	7, 600	9, 120	10, 640
8	6, 650	8, 310	9, 980	11, 638
9	7, 170	8, 960	10, 750	12, 548
10	7, 680	9. 600	11, 520	13, 440
11	8, 190	10, 240	12, 290	14, 333
12	8, 700	10, 880	13, 060	15, 225
Each additional family member	510	640	770	900

I've spent considerable time presenting the need for increased section 4 funds because section 4 applies to all meals. It is essential that a stable base be provided for the program and that stable base is section 4. The need for increased special assistance funds as provided in section 10 of S. 1063 is equally as great. Both the present level of 40 cents for free meals and the ceiling of 60 cents are inadequate. Unless the special assistance rate is increased, schools will have to reduce the quantity of food or the quality of food, or in many instances both. Either alternative would be unfortunate. For many children, lunch is the best meal eaten during the day. To maintain the momentum of serving lunches to 8.9 million needy children, schools must have additional support. Public Law 91–248 requires that the school provide meals to children who qualify for a free or reduced price meal. The present economy and existing level of assistance places local administrators in an impossible position. Section 10 of S. 1063 combined with increased section 4 funds will provide assistance to meet the mandate of Public Law 91–248.

Section 11 of S. 1063 will require USDA to make cash payments where there is a shortfall in donated foods. Without the emergency legislation—Public Law 93–13—enacted in March 1973, many schools could not have continued the food service program. Donated foods have long provided the staple items of school food service. Only 2 years ago Georgia schools averaged using 10 cents worth of donated foods per meal. Although the 1974 budget includes 7 cents worth of donated foods, the outlook for purchases is dismal. Even if there are purchases, they represent about 5 cents in value. To date, schools have received very few commodities. Local systems are encountering difficulties in purchasing foods; some districts have, of necessity, abandoned competitive bidding and are purchasing on the open market. If a vendor cannot supply the school district serving 30,000 children, it is not too realistic to suspect that the USDA can make purchases that are large enough to supply food for 23 million children.

We are aware that the new farm bill authorizes USDA to use section 32 funds to purchase commodities which may not be in short supply. Considering the present food supply, we doubt that the USDA can purchase the basic foods that schools need for the lunch and breakfast program in accordance with amounts budgeted. Section 11 of S. 1063 provides insurance for local systems that they can count on receiving either the foods or equivalent cash.

The breakfast program has not escaped the crisis of shortages and costs. Valdosta superintendent, Foster Goolsby's letter—appendix B—summarizes the problem. With the price of eggs having increased as much as 40 cents a dozen, or 3¼ cents per egg, and the price of milk up at least 1 cent per half pint, the breakfast program cannot be continued on the 20-cent rate of reimbursement. Some schools are reluctant to start a breakfast program because first, the program primarily reaches needy children—about 80 percent of the breakfasts are free—and legislation limits Federal assistance to food costs; secondly, the school has no money to pay the cost of labor or nonfood supplies. Section 4 of S. 1063 will correct these inequities which will encourage schools to continue breakfast and in many instances to begin the program.

Mr. Chairman, we feel that the four provisions of S. 1063 contained in section 4, section 7, section 10, and section 11 will provide schools with financial relief necessary to continue the quality of food service to young people. These are the minimum essentials needed now.

The concept contained in the provision of S. 1063 for changing the method of funding for State administrative expenses has the approval of State school food service directors. However, the State school food service directors would recommend a slight change in the language to make the provision more relevant for all States. If not presumptuous, I would submit proposed language for section 3.

The current crisis focuses attention on the need for nutrition and food education for all pupils. The growing body of research relating diet to health; the increasing cost of health care; the present shortage and high cost of food; the technology of synthetic foods; nutritional labeling are but a few reasons for finding ways to utilize school food service as a laboratory for supporting classroom teaching. Section 2 of S. 1063 would make resources available in those schools that elected to teach nutrition. In my judgment, there is a growing national awareness of the need for nutrition education. Schools need help to use the cafeteria to provide nutrition education. An educated citizenry is one that has basic knowledge to make decisions for effective living.

Finally, I wish to comment on the need for restoration of the special milk program for all schools. This year, many more children are bringing lunches from home because of increased sale prices, and these children will have to pay 10 cents for ½ pint of milk simply because they attend a school which offers a meal. Children eligible for free milk can no longer be served. During 1972–73, Georgia schools served 24,000 half-pints of milk daily at no cost to poor children. Because of inadequate funds, labor problems, and scheduling considerations, not every school can have a breakfast program. Schools can make milk available with minimum logistical problems and costs.

Thank you for the privilege of appearing before the Subcommittee on Agricultural Research and General Legislation. The ASFSA emergency declaration prepared at the 1973 annual convention states "The food crisis threatens the nutrition and health of the nation's children—in this period of reduced and higher priced food supplies, low and middle income families will have great difficulty in providing nutritionally adequate meals at home. Schools must be provided with the resources needed to continue making reasonably priced quality meals available to children who do not qualify for free or reduced meals; and quality meals available to those who qualify."

We urge your support and early passage of legislation to help schools meet current crisis and provide future stability of child nutrition programs.

[Appendix A]

LUNCHBOX

Menu	Amount	Calories	Protein (gm)	Calcium (mg)	Iron (mg)	Vitamin A (IU)	Vitamin C (mg)	Cost
Turkey	1 sl	60	9.3	9	----	----	----	$0.16
Bread	2sl	124	4.0	32	1.2	----	T	.04
Mayonnaise	1T	101	.15	3	.01	39	----	.011
Carrot and celery	3 stks	13	.4	12	.2	3,600	----	.046
Orange	1 med	73	1.5	62	.6	300	[1]80	.108
Cupcake	1	184	2.1	32	.1	89	T	.10
Milk	½ pt	161	9	298	.1	359	2	[2].09
Total		716	26.45	448	2.21	4,387	82	.565
Bologna	1 sl	66	4.4	[1]3	.7	----	----	.11
Bread	2 sl	124	4.0	32	1.2	----	T	.04
Mayonnaise	1T	101	.15	3	.01	39	----	.011
Potato chips	1 oz	162	2.1	[1]9	[1].6	15	3	.10
Apple	1 med	88	.4	8	.4	136	8	.17
Sugar wafer	2	53	.5	4	T	15	T	.054
Milk	½ pt	161	9	298	.1	359	2	[2].09
Total		755	20.55	357	3.01	564	13	.575

LUNCH AT SCHOOL (ACTUAL COST)

Menu	Amount	Calories	Protein (gm)	Calcium (mg)	Iron (mg)	Vitamin A (IU)	Vitamin C (mg)	Cost
Beef patty	2 oz	168	16.5	4.5	----	----	----	$0.15
Bun/butter	1 oz	191	2.58	4.9	0.6	468 T	T	.03
French fries	3½ oz	220	3.6	9	1.8	T	21	.035
Carrot slaw	⅓ C	41	1.4	.32	.4	1,900	12	025
Apple	1 med	88	.4	8	.4	136	8	.13
Milk	½ pt	161	9	298	.	359	2	.0719
Labor	----	----	----	----	----	----	----	.20
Total		869	34.2	356.4	3.3	2,863	43	.6419
Fish patty (tartar sauce)	2 oz	176	16.6	11	.4	----	----	.086
Bun	1	184	2.7	26	.8	55	[1]1	.04
Buttered corn	½ C	172	2.23	3.1	.4	758	4	.04
Tomato	2 sl	11	.5	7	.3	450	11	.03
Lettuce	2 lvs	7	.5	10	.3	165	3	----
Cake square (chocolate icing)	1	188	2.1	32	.3	89	T	.03
Milk	½ pt	161	9	293	.1	359	2	.0719
Labor	----	----	----	----	----	----	----	.20
Total		895	33.68	390.7	2.6	1,876	20	.4979

[1] Denotes tentative value.
[2] At school.

[Appendix B]

VALDOSTA PUBLIC SCHOOLS,
Valdosta, Ga., August 6, 1978.

Miss JOSEPHINE MARTIN,
Administrator, School Food Service Program, State Department of Education, Atlanta, Ga.

DEAR MISS MARTIN: In 1972–73 Valdosta City Schools served breakfasts in the following schools:

Leila Ellis Elementary.
West Gordon Elementary.
Lomax Elementary.
Sallas Mahone Elementary.
Southeast Elementary.
Valdosta Junior High.
VHS-Pinevale Campus.

Costs of operation and income for these programs are shown here:

Expenses:	
Food	$33,003.78
Labor	5,824.99
Total	38,828.77
Income:	
Students	278.00
Reimbursement	32,583.61
Total	32,861.61
Total expenses	38,828.77
Total income	32,861.61
Loss for year	5,967.16

The advantages of the breakfast program have been discussed at length with administrators and teachers in our system. All feel that the program should be continued because it does reduce absences and tardiness, and students participating appear to be more alert in the classroom.

However, due ot the existing economic conditions in our lunch program we feel that we cannot continue to operate the program at a deficit. What do you advise?

Sincerely,

JAMES F. GOOLSBY,
Superintendent.

EMERGENCY DECLARATION OF THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION ON FOOD SERVED IN CHILD NUTRITION PROGRAMS

When the school bell rings in September, thousands of schools may be faced with no food for school children or limited food for preparing meals unless immediate aid is mobilized.

This food crisis threatens the nutrition and health of the nation's children. American School Food Service Association members, meeting in New Orleans for the 27th Annual Convention, expressed concern about the school child's need for food during the school day.

Several factors are responsible for this crisis that has reached critical proportions:

1. Schools are unable to obtain supplies of foods, especially protein foods, with which to prepare lunches when schools open this fall. Food companies are refusing to accept orders to supply foods, regardless of price.

2. Government-donated foods, long a mainstay of the school lunch program, are expected to be close to $200 million short of the amount presently budgeted for school meals. Little or no pork or beef will be donated by USDA to schools in the months ahead. And basic foods such as cheese and dry milk are either scarce or not available as commodities.

3. The U.S. Department of Agriculture in a hearing on July 11, 1973, before the House Education and Labor Committee refused to support any increase in federal funding for the school lunch program this year in spite of sharply increasing costs of food and labor. USDA's refusal applied to those funds that had been requested in proposed legislation. This legislation called for an increase in the general support of the school lunch programs and also funds to finance increased costs of supplying free meals to needy children.

4. Prices of such foods as meats, poultry and milk have skyrocketed in recent months. The food costs alone in the noon meal, which meets a third of the child's daily nutritional requirements, is at least 10 cents more this year than last. Labor costs are 12 percent higher than last year.

5. USDA as of June 30, 1973, cancelled the Special Milk Program except in schools that do not have food service. This means that children bringing lunches

from home will pay at least four cents more for a half-pint of milk this fall. In addition, free milk for needy children is discontinued in all program schools.

6. Under Phase IV of the price stabilization program schools will be unable to increase total lunch prices. However, if they increase the cost of hamburger by five cents (because that was the increase in the wholesale price to them) they will be able to charge an extra five cents that day. This means that prices could be changed day to day.

There are solutions to this crisis:

1. Legislation pending before Congress, H.R. 9639, should receive prompt Congressional action which will provide some measure of financial relief to the program.

2. USDA should instruct food suppliers to give school food service programs, as well as hospitals and similar vulnerable groups, first priority on available supplies of scarce items at prevailing prices.

3. The proposed cut in the appropriation for the Special Milk Program should be restored.

Finally, in this period of reduced and higher priced food supplies, low and middle income families will have great difficulty in providing nutritionally adequate meals at home. To counter this situation schools must be provided with the resources needed to continue making reasonably priced meals available to children. Congress and the Administration can afford to do no less in this emergency than provide the help needed to continue the nutritious school meals for children.

Senator Allen. Mr. Searing.

STATEMENT OF O. L. SEARING, DIRECTOR, SCHOOL FOOD SERVICE DEPARTMENT, SCHOOL BOARD OF BROWARD COUNTY, FORT LAUDERDALE, FLA.; ALSO REPRESENTING THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Mr. Searing. I am Lee Searing, director of school food service in Broward County, Fla., which is second in the State in population and growing very rapidly. In fact, in the last 3 years we have built 36 new schools. By 1980 we will need 47 more new schools. We are becoming rather dense in population. We are now serving about 85,000 to 90,000 students daily in 132 schools with an $8.3 million program last year.

Recently the Florida State Department of Education conducted a study of 10 school districts in Florida representing 350 schools comparing food, labor, and other costs for the school year 1972–73 with projections for this year. Last year the per lunch average cost was 63.7 cents. For 1973–74 they are projecting a cost of 77 cents, an increase of 13.3 cents or up some 21 percent.

Some of the cost comparisons are ground beef per pound of 61 cents to $1.01, up some 65 percent, frankfurters, 67.9 up to 92.8 or a 60 percent increase, green beans, $1.05 up to $1.20 which is a 14 percent increase. This goes on and on. I think in Broward County where we are very urban some of these prices are even higher. I have listened to the data presented in Iowa and some of these other places. I think it is a little bit lower. Our figures were taken this week and reflect further increases in August and early September.

Our meat and dairy products are up 63 percent over last year. Our milk went up 2 cents per half pint. When you serve 18 million half pints of milk this will be something like $340,000 more that we will have to pay for milk this year.

Senator Allen. To take care of some of these increases, what requests have any of you all made to State, school districts, and local governments? Have you made a plea to local governments?

Mr. SEARING. Yes, we have. A statement by the commissioner of education for the State of Florida indicates the legislature appropriated 3,025,000 which amounts to 6 cents in State reimbursement.

Senator ALLEN. When was that done?

Mr. SEARING. Last year for this year.

Senator ALLEN. In other words, they haven't made any change this year?

Mr. SEARING. No; no increase this year. This was done last year.

Senator ALLEN. What effort is being made now, since this is a cooperative type program with the Federal Government paying the great bulk of it, but what requests have you all made for local governments for added participation?

Mr. SEARING. Through the legislative committee of the Florida School Food Service Committee. I sat on that committee.

Senator ALLEN. Do they have moneys available to allocate to the schools for this purpose or have to wait for the legislation?

Mr. SEARING. They will have to wait for the legislature, I assume.

Senator ALLEN. Any bills pending?

Mr. SEARING. I don't know of any right now, but we are talking to these people about the situation. It is becoming very, very critical. The board increased the sale price of lunches in Broward County from 40 to 50 cents in the elementary school and from 50 to 60 cents in the secondary schools.

Senator ALLEN. You don't regard this as an all-Federal program. It is local participation as well?

Mr. SEARING. Yes; a child's payment for his lunch would amount to about 60 or 65 percent of the income, so really the child's payment for his lunch is the major portion of our income.

Senator ALLEN. I am talking about the government's help, I do know the child—he helps, but what about the government's?

Mr. SEARING. The figure, 48 cents plus the 7 cents in commodities would be the Federal, State 6 cents and local support in Florida of 7 cents or a total of [illegible] cents.

Senator ALLEN. The Federal Government is being asked to go up some 20 percent or more. Are local governments going up a like amount?

Mr. SEARING. We have a very critical financial situation as far as school boards in urban areas are concerned because they just do not have the money they need. There is a real problem in building these new schools. We have many schools in portable buildings because we don't have enough money to build schools. There just isn't enough money at the local level.

Senator ALLEN. They have the same concern for the school child as the national concern?

Mr. SEARING. I would say so, being at the local level, as much or more.

Senator ALLEN. This is true in terms of putting up cash?

Mr. SEARING. Yes: it seems to be going in the other direction. I think we are unique in Florida in that we were not permitted to buy equipment and pay for the supervision from operating funds. This put more food on the plate for the child. This is an additional cost this year of $192,000.

Senator ALLEN. What experience have you had, Mrs. Ball?

Mrs. BALL. We are attempting to introduce legislation now. The financial budget is only set once every 2 years for the State of Minnesota. That was done last year so we can only hope.

Senator ALLEN. You need a special session?

Mrs. BALL. Yes, we do. It should be every year. The local school districts need this because many schools are at the limit of their taxability for increased revenue.

Senator ALLEN. What experience have you had in Georgia, Miss Martin?

Miss MARTIN. The Georgia General Assembly anticipated the decrease in USDA foods from last year, and as a result, in the 1973 session the Georgia General Assembly increased the State support 2 cents per meal, so the State of Georgia is now paying 4½ cents per lunch this year. We are in the process of preparing the budget to go to the legislature in 1974. Of course, I am first step on the totem pole in preparing that budget, but I recommended an increase of 2½ cents in State money for the 1974–75 year, but the State superintendent has to take into account school lunch needs along with all the other needs of education. I am told that the superintendent is asking for a 1½ or 2 cents increase in State money next year. I sat in on a legislative committee meeting day before yesterday where we discussed additional need for State money. The local superintendent on that committee indicated that he felt that local school systems should be putting more money into the program. On August 10, the State board of education passed a resolution asking local school boards to pick up the administrative costs of school food services in Georgia in accordance with a previously adopted resolution.

In Georgia we recognize that the program is strong because it has been cooperatively financed, and we think it will stay strong because it is cooperatively financed. We are trying to get additional money from local, from State, and hoping that Congress will provide additional funds so the increase to paying pupils will be a minimal increase.

Senator ALLEN. Do you think it is good business to carve out of this food money that the Federal Government gives, this contribution toward the lunches' State administrative expense? Isn't this one area where the State can do something? Can't they take care of their own administrative expense in all seriousness and fairness? Is that necessary?

Miss MARTIN. Senator, I believe that I could speak unanimously for the State directors in this country to say that they would prefer to see it as a line item, but the level of Federal funds for State administration has remained constant since 1971. Many States have not over the years provided funds for State administration. Since there is no Federal requirement for States provide funds for administration, the people who are charged with responsibility of administering the program simply are over-burdened. They feel that they cannot adequately administer the child nutrition programs without additional help. Some of the States have been more generous and have provided fairly adequate staffs. I am fortunate in Georgia. Our State department has been very generous over the years, but there are some States that are really under-staffed; one State, fairly large, has only one full-time person to administer the whole program.

Senator Allen. Well, now, with the Federal Government contributing about 6 cents for each meal, this 2 percent for State administration would be 2 cents, so you are going backwards with State support and going forward with Federal support. You pick up 5 cents on the free and reduced price meals. You pick up 2 cents or 4 cents for all meals, but 2 cents of that is going to be gobbled up by the State administration. That is just kind of—it looks like the States ought to be able to do a little something.

Miss Martin. May I just make one more comment, and that is in my statement I indicated that American School Food Association feels that the critical issues now are the increased rates of reimbursement for meals.

Senator Allen. I do, too.

Miss Martin. Unless we do that, the program cannot continue to serve the children. So we feel that the critical issue is more funds to pay for meals.

Senator Allen. I hate to skim some of that off and give it to the States, though. I would rather it go to the children.

Miss Martin. I do not see how under the present levels of reimbursement that my State would authorize use of the money for administration, because we could not—we need money to continue to feed children.

Senator Allen. They don't need the section, then, if they are not going to do it.

Mr. Searing. Not as critically, perhaps.

One final item as far as the costs are concerned. Earlier we thought food would escalate by $800,000 and now we are estimating $1.4 million in Broward County. Our labor costs are up about $262,000, supplies and services about $30,000 and these new administrative costs which I indicated of $192,000. So our total increase in costs to meet last year's program we think will be about $1.9 million.

Going up on the sale price of 10 cents, we have experienced a 4.26 decrease in participation. We think this will be even greater as we go along. If we get new revenue of $1,300,000, and this is pure conjecture, we will still be short by $633,000. If the Congress saw fit to give us a 4 cent increase, in section 4 money this would amount to $560,000 in Broward County. However, you can see we will still lose money. We in Broward County think this is a critical issue.

One other point we think is very important is that to receive a minimum adequate level of USDA donated foods, which we can depend on.

Senator Allen. Why is that so critical when the law is you can get the food or its equivalent in cash? Can you go out and buy it on the local market?

Mr. Searing. Can we what?

Senator Allen. The law is you either get 7 cents in commodities or in cash. Why would that be such a hardship?

Mr. Searing. In the past we have had items that were not really appropriate. We need red lean meats and fruits and vegetables.

Senator Allen. Can't you use the money to buy them? Wouldn't it be better if you bought it?

Mr. Searing. We would take it if we were guaranteed a minimum support level.

Senator **Allen**. Aren't you guaranteed 7 cents in commodities or cash?

Miss **Martin**. It was 1-year legislation.

Senator **Allen**. There hasn't been any hardship, though. You have at least got the money or the commodity and you would be really better off to not get commodities because you might not want commodities.

Mrs. **Ball**. A great many of us have contracts with local bakeries, to supply USDA donated flour, and the bakery in turn will give us their products at a lesser cost. There is some question as to whether even flour will be available for the year. This creates and adds to our problems.

I attended a meeting not too long ago in Chicago at which we were told to go back to our State director and get contracts to have things like mayonnaise made. We got back to our schools and it isn't possible. They don't have the commodity.

Senator **Allen**. Then you get the cash.

Mrs. **Ball**. That was fine, but last year was the first time this was done.

Senator **Allen**. This should be continued.

Mr. **Searing**. That is very important, so we can depend on this.

Two more points. The special program, which started in 1954, we think has done a great deal of good and should be reinstated.

Without the program the sale price of milk per half pint was increased 10 cents, and participations has decreased about 8 percent.

Another point concerning free meals, which is very, interesting to me. I have been on the telephone a great deal lately on this matter, much more than ever before, and I think it is because middle income America is now reaching a saturation point with respect to all these costs they must meet in an inflationary economy. Many people have called us recently with a reasonable income, maybe six or seven in the family and they don't qualify under the eligibility scale. It would be my hope that it would be raised to include most of these borderline people. In fact, we received several on this before coming down here.

Thank you for this opportunity. If you have any further questions I shall be happy to answer them.

Senator **Allen**. I will ask them along.

[The prepared statement of Mr. Searing follows:]

Mr. **Searing**. Mr. Chairman and members of the committee, my name is Lee Searing, I am director of school food service in Broward County, Fla. I am grateful for the opportunity to testify before you on behalf of the American School Food Service Association. Broward County is second in the State in population and growing very rapidly, with a current student population of 133,238. We have 132 schools and we are serving about 85,000 meals a day. Last year our total income amounted to $8.3 million.

Our major concern at the present time is that of the very serious financial crisis in which we find ourselves operating in a greatly inflationary economy. Earlier estimates this year reflected a projected total increase in cost of $1.4 million. Since that time, meat, poultry, and dairy products have escalated in cost to the point that increased cost projections for the year now amount to $1.9 million. This includes increases in food costs, supplies and services, labor, and additional administrative costs. These increases are reflected in meat, poultry, and dairy products of 63 percent over last year; milk 27 percent; bakery goods 20 percent; frozen foods 17 percent; and groceries 16 percent, with an overall projected food cost increase of 32 percent. Our most recent estimates which were calculated earlier this week, represent higher costs than were quoted a month ago. Some significant increases in food costs comparing September 1973 prices with September 1972, are ground beef from 66 cents per pound to $1.10 or a 67 percent increase; frankfurters 57 cents per pound compared to 95 cents currently; chicken 42 cents compared to 95 cents or a 126 percent increase; eggs 43½ cents compared to 87 cents or a 110 percent increase. This is consistent with other districts in the State as reflected by the attached State Department exhibits.

In light of early increased cost projections, the School Board of Broward County, Fla., on August 2, 1973, increased the elementary school price from 40 cents to 50 cents and the secondary sale price from 50 cents to 60 cents; adults from 65 cents to 75 cents. At the same time, ala carte entrees were increased from 35 cents to 50 cents. Fruits and vegetables were increased from 10 cents to 15 cents. With the continued escalation of operating costs, we are concerned as to whether or not the sale price increases are great enough to provide the necessary income to satisfactorily operate the program. Based on an estimated 14 million type "A" lunches this year, at 10 cents a lunch increase in the sale price, we would anticipate increased revenue at about $1.3 million. A current survey reveals that participation for the first week of school is off over 4 percent. This is common with a sale price increase. Last time the sale price was increased there was a 7 percent decrease in average daily participation. However, with costs of $1.9 million this would leave a serious deficit in excess of $600,000 in Broward County. With section 4 funds increased only 2 cents, it would not be adequate to make up the anticipated deficit. A minimum of a 4 cent increase in section 4 funds would be needed provided there is no further escalation of cost and anticipated revenue remains at the same level.

U.S. DEPARTMENT OF AGRICULTURE DONATED FOODS

The commodity program as of late has been most erratic in terms of both quantity and appropriateness of foods being made available to meet program requirements.

A minimum guaranteed level of commodities should be provided to prevent the feast or famine effect each year. Local operators need consistent minimum levels of commodities maintained for greater program stability operationally and financially. If these foods are not available, we must take our cash in hand and buy in an inflated market to meet program requirements.

If foods are not provided, cash should be to provide a consistent level of support.

SPECIAL MILK PROGRAM

As a result of discontinuing this program in schools participating in the national school lunch program, and increasing the sale price of milk to 10 cents, consumption in Broward County for the first two weeks of school is down 8 percent. Projected through for the 1973–74 school year, this would be 1.3 one-half pints less consumption.

Last year due to the introduction of chocolate milk, consumption increased almost 4 million one-half pints of milk. Therefore, without the special milk program, a serious nutritional blow will be dealt to our school youth.

FREE MEALS

The inflationary economy is also reflected in the repeated requests we have at the district level in appealing for free lunches when the family income is in excess of the income eligibility scale. Middle income America is having difficulty in meeting increased costs of living and still pay the recently increased sale price of the lunch. This is particularly true, of course, with larger families.

It would be my view that the U.S. Department of Agriculture family income guidelines should be increased $1,500–$2,000 across the board to accommodate inflation without forcing an increase in the practice of nutritionally inadequate "brown bagging."

In summary, it would be my recommendation that: First, section 4 funds be increased to 4 cents per lunch; second, that a minimum floor be established for U.S. Department of Agriculture commodities which would be maintained with cash when not met with red, lean meats and fruits and vegetables; third, that the special milk program be reinstated and free milk be provided for needy students in all schools; and that, fourth, the family income guidelines be increased by at least $1,500.

Thank you. I shall be most happy to answer any questions you may have.

[Exhibit A]

Florida State Department of Education

A statement by Floyd T. Christian, Florida Commissioner of Education, which was released September 11, 1973, provides:

1. That most of our school boards have raised their prices to the paying child 5¢ to 10¢. This represents the limit that Phase 4 will allow in many instances and the limit the traffic will allow in most instances.

2. The Florida Legislature has appropriated $3,525,795 this year to support free lunches.

3. In addition, we performed a survey in 10 districts representing all geographical areas of the State to include large urban areas, middle urban areas and rural areas. The results show the increase in cost for Child Feeding Programs here in Florida.*

Currently, the free lunches are being supported as follows:

	Cents
Federal reimbursement	48
State reimbursement	6
Local support	7
Total	61

Comparing this to the 77¢ anticipated average cost this year, you can see that we have an unmet need of approximately 16¢ per lunch.

[Exhibit B]

Florida State Department of Education Food and Nutrition Services per Lunch Cost and Food Price Comparisons

Statewide averages from 10 district samplings representing large urban, medium urban and rural districts and all geographical areas of Florida. Ten districts out of 67 and 350 schools out of 1850.

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*See Exhibit B.

	School year 1972-73	Estimate for school year 1973-74	Cents increase or decrease	Percent increase or decrease
Food	$0.294	$0.379	+$.085	+28
Labor	.197	.236	+.039	+19
Other	.023	.032	+.009	+3
Total	.514	.647	+.133	+26
County contribution	.123	.123		
Total	.637	.770	+.133	+21

SELECTED FOOD PRICE COMPARISONS

Foods	September 1972	September 1973	Percent increase
Ground beef, per pound	$0.612	$1.013	65
Franks, per pound	.579	.928	60
½ pint whole milk, white	.073	.088	20
Sliced white bread, per pound	.225	.270	20
No. 10 green beans	1.057	1.206	14
No. 10 tomato paste	1.569	1.879	19
Spaghetti, per pound	.167	.221	32
Processed American cheese	.669	.823	23
Grade A large eggs, per dozen	.441	.870	97
No. 10 instant potatoes	1.856	2.112	13
No. 10 whole kernel corn	.989	1.120	13
No. 10 fruit cocktail	1.553	1.760	13
Plastic forks, per dozen	.042	.055	30

EXHIBIT C

SCHOOL BOARD OF BROWARD COUNTY, FLA., SCHOOL FOOD SERVICE DEPARTMENT, FOOD COST COMPARISONS (1972-73 AND 1973-74)

	Increase	Percent
Meats, poultry, dairy	$904,440	+63
Milk	344,883	+27
Bakery items	32,950	+20
Frozen foods	63,900	+17
Groceries	133,266	+16
Total estimated annual increase	1,479,439	32

EXAMPLES OF SOME MAJOR PRICE INCREASES

	1972 prices	1973 prices	Percent
Ground beef	$0.66	$1.10	+67
Frankfurters	.57	.95	+67
Chicken	.42	.95	+126
Turkeys	.45	.81	+80
American cheese	.675	.85	+26
Eggs	.435	.87	+100
Fish squares (cod)	.565	.705	+25
Tater Tots	.17	.23	+35
Corn, vacuum pack (case)	6.05	6.75	+12
Peas (case)	6.80	8.32	+22
Tomato paste (case)	7.75	11.48	+48
Applesauce (case)	5.65	8.50	+50
Raisins (case)	8.45	18.41	+118
Potatoes, instant (case)	10.85	12.79	+18

[Exhibit D]

The School Board of Broward County, Fla., School Food Service Department projected increased costs and loss—1973–74

Food	$1, 479, 439
Labor	262, 000
Supplies and service	30, 004
New administrative costs	192, 000
Total	1, 963, 443
New revenue from sale price increase	1, 330, 000
Loss	633, 443

Senator Allen. Mrs. Ball.

STATEMENT OF MRS. VIRGINIA H. BALL, DIRECTOR OF FOOD SERVICES, ST. PAUL PUBLIC SCHOOLS, ST. PAUL, MINN.

Mrs. Ball. I am Virginia Ball, food services director from St. Paul, Minn.

It is a pleasure for me to represent urban and rural areas, major city directors, and the Board of Education of Independent School District No. 625, St. Paul, Minn. before your committee today.

The attitude of the entire Congress toward school food service for children, particularly in the past several years, has been most supportive and greatly appreciated. The efforts of this committee and its individual members have played a large role in bringing into focus the needs of our child feeding programs.

As we begin another school year, we, at the local level, have not only our normal concerns, but are faced with a battery of new problems as well. Some of the major areas are:

Cost and availability of food and supplies:

For the first time in our history, we, in St. Paul, opened our 92 lunch programs without one pound of either ground beef or frankfurters. We have been unable to purchase either of these items and they are, without question, because of their versatility, the backbone of the school lunch program. Our problems were two-fold. We could not secure the quantity we needed and the last quotation we heard before the ceiling was lifted, was $1.23 per pound for ground beef and $1.27 per pound for frankfurters. This would make a two ounce serving, which is the minimal requirement under type A lunch standards, cost $0.246 per serving for ground beef and each frankfurter $0.16. Last year at this time we were paying $0.835 per pound for ground beef and $0.69 for frankfurters. This is an increase of 47.6 percent and 84 percent respectively.

We have purchased and substituted canned meats and convenience foods to meet protein requirements for September and October. Most of these items are now on allotment to our suppliers and we cannot at this time secure additional amounts in the quantities we need.

Now that the ceiling has been lifted on beef we can only hope that the meat situation will ease. If it does not, there are many of us who do not know how we will keep going.

There is almost no item used in either school lunch or school breakfast that has not advanced in price. Pasta products have doubled and quantities are limited. Dried eggs were $27 per case last year and are now $83 per case. Applesauce was $4.32 per case and is now $8.94. The list is endless. We have found that our bids which were let last May (and do not reflect the current costs) for the first half of this school year showed: Canned fruits and vegetables up 18 percent, staples up 10.4 percent, paper products up 7 percent, cleaning supplies up 8.2 percent, labor up 5 percent.

At that time we were unable to secure bids for sliced or diced beets, sliced or diced carrots, sliced apples, red tart cherries, peach halves or slices, and pear halves. We rebid these items in August and were only able to buy pears. We have not had peach halves or slices in our program for a year.

In October we will bid again for the canned foods we will need for the last half of this school year. Needless to say, based upon our experiences in May and August, we have grave concerns not only about costs, but also about the availability of canned fruits and vegetables as well as a variety of staples.

Another new problem, at least to our area, which many school districts have had to accept this year is contracts with escalation clauses to protect the supplier against rising costs. As a result, we do not know from day to day what our costs will be.

Paper and plastic items are normally bid on a firm price for a year with delivery as needed. In most instances this year prices were only guaranteed for only 30–60 or 90 days. As an example—we ordered 2½ million plastic packets (spoon, fork, and napkin secured in pliofilm) for use in our satellite programs. The bid price was subject to change after 30 days and we were faced with either expending a large sum of cash and finding a way to store this item or taking the risk of paying more after 30 days when we needed more.

Another example, we ordered 1 million plastic soup spoons for use in our breakfast programs. Five companies bid this item and not one could give us a firm price of any kind, but each said the price would be the market price on the day the order was placed.

Senator **Allen**. What did you all do?

Mrs. **Ball**. We ordered this at a market price of $3.30 per thousand. We were informed last Thursday that they could furnish 50,000 of what we needed. We bought 100,000 at $8.50 per thousand on Monday and on Tuesday I received a call saying that the price would be $8.45 per thousand. This is an increase of 156 percent in 4 months. We have no assurances we will be able to purchase the balance we will need.

With the problems we are experiencing in trying to buy food in the quantities we need for our districts, it is very difficult to believe that the U.S.D.A. will be able to purchase commodities during 1973–74 that would even approach those provided in 1972–73. We checked last week with our State office and they had no word of commodities we will receive. Since there is a 3 to 4 month time lag between purchasing by U.S.D.A. and delivery to our schools, it would appear that we can expect little before January, if then.

Many school districts have contracts with local bakeries to use government flour in the various bakery items and provide the items at a lesser cost to the schools. We have been told that there is a question on whether flour, which has been a commodity for many, many years, will be available for all of this school year.

We would urge you to make permanent the legislation that would provide cash payments to support the commodity shortfalls. Public Law 93–13 passed so speedily by the Congress last spring saved many of us from almost certain disaster and is certainly a must legislation for 1973–74 if we are to have any hope of survival.

STUDENT PRICES

One of the major objectives of school feeding programs has always been to provide meals at a minimal cost so they would be available to all children. This is no longer true. We are forced to price ourselves out of the student market and we can document evidence to show there is a direct relationship between the price of the school lunch and participation. Two years ago, in St. Paul, we had 26 schools in low income areas on totally reduced rates. The maximum charge to students was 20 cents per lunch. Regulations were changed the next year by U.S.D.A. and we were no longer permitted to continue operating in this manner. Our records show that we fed 14.2 percent fewer children in these schools when the price of the lunch returned to normal.

Last year for economic reasons we were forced to raise our lunch prices 5 cents and our participation dropped 10 percent.

We tried very hard throughout last year to gain this 10 percent back. We were not very successful as we wound up the year with an 8 percent drop in participation.

Our surveys show the decrease to be in that group which we call the "forgotten child." He or she is the one from the large middle group of families whose parents do not qualify for assistance and who cannot really afford to pay for the lunches. It seems to those of us who face these children every day that we are feeding children whose parents are in high income brackets and those who are economically deprived while the children of parents whose income is in the middle group are forced either to do without or carry a bag lunch which in a great many cases would not meet accepted nutrition standards.

It would really be an education for everyone to go into a school and walk up and down the aisle and see what these bag lunches contain.

We have raised prices 5 cents again this year and we may have to raise them still more if we do not get some relief soon in our costs. If we lose another 8 percent to 10 percent of our paying customers this year, it will be reflected immediately in our cost per meal. The programs must have the paying child participating in order to maintain volume and keep the per meal cost as low as possible. Each school food service director whom we have contacted has said that to survive last year they were forced to cut staff and labor to a bare minimum and in some instances below a good efficiency standard.

I have 18 schools where there is one person and this is not good. There is just no place to go anymore to try to effect savings.

REIMBURSEMENT

We asked three Midwestern State directors to tell us what their projected costs for providing a school lunch and breakfast in 1973–74 are. Michigan quoted a lunch price at 68.86 cents, breakfast at 28.7 cents; Iowa, lunch at 72.14 cents, breakfast at 37.88 cents; Minnesota, lunch at 70.1 cents, breakfast at 30 cents.

These figures indicate our very real need for increased Federal reimbursement and we do appreciate the increase shown in S. 1063. However, food, supplies and service costs have skyrocketed to such a degree over the summer months, the increases in reimbursement will not allow the food service programs to hope to reach a break-even point which is a requirement for our department in many school districts. They, too, are faced with higher costs for books, paper, supplies, salaries, et cetera.

At the end of the last school year St. Paul had 11,994 students on free lunch and 44 percent of all lunches served were free. We anticipate this figure will increase this year. Our projected costs for preparing a lunch at current prices is 71.5 cents. If you add 45 cents plus 10 cents plus 7 cents for commodities, this totals 62 cents and we would lose 9.5 cents on every free lunch we serve. 12,000 free lunches per day times 9.5 cents times 170 days would mean a loss of $190,950 on free lunches alone.

We would urge you as a bare minimum to increase section 4 to 12 cents and section 11 to 55 cents, and that breakfast reimbursement be raised from 8 cents to 10 cents. We recognize that these are sizable increases, but we would say to you that these are programs where the benefits are immediately apparent and where the funds spent are accruable to the intended purpose. We would hope, in the face of rapidly rising prices for everything and everyone, that we would not lose sight of the basic needs of children.

If these programs are allowed to fail now, we, in school food service and the Congress, will have lost 28 years of progress toward the elimination of child hunger and malnutrition in this Nation.

ON NUTRITION EDUCATION

In conclusion, we would like to ask that every consideration be given to the passage of the section of this bill that deals with nutrition education. There is a very real need for this program in our schools today. Good food habits and diet must be taught from early childhood and reinforced by repetitive exposure if we are to guarantee stronger, healthier adults who will be better able to solve their own problems and those of the coming generations. The future of America will be greatly influenced by what is invested today and tomorrow in school food services and nutrition education programs.

Our concerns are:

1. Availability of food and supplies.
2. The fact that we are in a "sellers market."
3. Skyrocketing costs.
4. Use of escalation clauses in contracts.
5. A contract today does not insure delivery of merchandise.
6. Price changes from day to day.
7. Lack of USDA commodities.
8. Pricing school lunch out of the student market.
9. Decreasing participation by the paying child.
10. Operating on a break-even level.
11. Lack of funding for the special milk program.

We would urge support of S. 1063 with the following adjustments:

1. Provide permanent legislation for commodity shortfalls.
2. Increase section 4 funds from 8 cents to 12 cents.

3. Increase section 11 funds from 45 cents to 55 cents.
4. Increase breakfast reimbursement from 8 cents to 10 cents.
5. Continue funding of the special milk program.
6. Adopt the provisions outlined in S. 1063 relative to nutrition education.

Thank you, sir.

Senator **Allen**. That is very fine. It certainly presents a real tragic picture of the problem.

Mrs. **Ball**. It certainly is, and every day brings another problem.

Senator **Allen**. Thank you very much.

Neal Bjornson will be the next witness. I understand you will speak for Mr. Healy.

STATEMENT OF NEAL R. BJORNSON, LEGISLATIVE REPRESENTATIVE, NATIONAL MILK PRODUCERS FEDERATION

Mr. **Bjornson**. I am Neal Bjornson, legislative representative for the National Milk Producers Federation. I am appearing here today on behalf of Mr. Patrick B. Healy, secretary of the National Milk Producers Federation.

Senator **Allen**. Is this Mr. Healy's statement presented by you?

Mr. **Bjornson**. I would appreciate it if this could be accepted on behalf of Mr. Healy. I will summarize the statement and ask that it appear in the record in its entirety.

We are pleased to have the opportunity to discuss a number of the most important programs this Government operates. I speak, of course, of our child nutrition programs. In a very real sense, the moneys expended in this effort represent an investment in our Nation and its future. Research has clearly established the direct link between proper nutrition and the mental and physical development of children.

The federation has a long history of strong support for the basic child nutrition programs as well as efforts to strengthen them and obtain adequate funding. For the last 2 days, the dairy farmer leadership of the country has been gathered here in Washington drafting the resolutions that will be presented to the voting delegates at our annual convention later this year. Among those actions proposed was a restatement of support for these programs.

The entire thrust of this complex of programs has been toward improving the nutrition of our young people by making available to them nutritious and wholesome foods. In 1972, an action was taken in the form of an amendment to section 10 of the Child Nutrition Act of 1966 which deeply concerns us. This amendment permitted the serving, or offering of, competitive foods in school food service facilities. This in itself may not seem too hard to accept; however, no requirement was included that the foods be nutritious or make any nutritional contribution to the child's well-being.

Senator **Allen**. Excuse me at that point. I think that is a valid point, but is there not some regulatory control by the local school board or the State school board? You would have to assume these people would have the welfare of the children at heart? Surely they would make some requirement as to what could be served and sold by this method?

Mr. **Bjornson**. I hope this would be the case. There may be cause, however, where this indeed may not be the case. We are not necessarily arguing against the competitive food concept, but we do certainly feel there should be a nutritional requirement included in this.

Senator ALLEN. That is very fine. I think it ought to be nutritious.

Mr. BJORNSON. I have discussed that in the statement. We do feel there should be a clear direction from the Federal level regarding nutritional aspects of these food offerings.

I would like to briefly discuss the special milk program. This is a major child nutrition program and also one of great deal importance to the dairy industry. Over the years, it has been one of the most effective and least costly means of improving child nutrition. During the 1971–72 school year, almost 37 percent of the fluid milk made available to children was offered through the special milk program. In years past, as much as 50 percent of the milk offered in schools was made available under the program. Expansions of the school lunch and breakfast program have made additional milk available through these sources, but, sadly, we note that since the 1967–68 school year, there has been a steady decline in the milk served under the special milk program.

The program has suffered a good deal from repeated efforts to cut it back or reduce it to almost a shadow program. The budget request submitted to Congress for fiscal year 1974 is another example. The request of $25 million for the program, compared to the $97,123,000 available last year, is a severe blow to the program itself, but more importantly, the nutritional well-being of the program recipients. We were gratified by the action of the Senate in restoring the funding of the program to the level of fiscal year 1973. We only hope that this action will be sustained by the Senate-House conference committee on the appropriations bill.

Senator ALLEN. This is more or less out of our hands at this time.

Mr. BJORNSON. I realize that the funding question at this point is not under the jurisdiction of the committee.

In 1970, Congress passed, and the President signed into law, Public Law 91–295. This legislation provides a permanent authorization of $120 million per year for the special milk program. Recognizing past efforts to eliminate or drastically scale down the program, Congress wrote provisions into that law requiring the continuation of the program. In part, section 3 of the law reads: "The Secretary shall administer the special milk program provided for by this section to the maximum extent practicable in the same manner as he administered the special milk program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969."

During fiscal year 1969, over $102 million were expended in the form of reimbursements to participating institutions. Congress clearly stated its intent that the program be maintained as an instrument of improved nutrition. We applaud other efforts to expand school lunch and school breakfast programs. These cannot help but improve child nutrition. It would be a mistake, however, to seek to accomplish these goals at the expense of a program that has proven its worth so well over the years.

Senator ALLEN. Apparently the effort was to make the milk program be absorbed in the lunch program without a compensating increase in the funding, is that right?

Mr. BJORNSON. I believe that every time a proposal has been advanced to cut back or eliminate the special milk program the argument has been presented that there will be no real decrease in the amount of milk consumed because there will be an expansion in the school breakfast or school lunch programs. Every time, however, when you take a look at this there would, in fact, be a decrease in milk served. This year with the decrease proposed in funding you would have something in the neighborhood of 2 billion fewer half pints of milk served to school children. It may be more than that when you consider the decrease in school lunch participation as pointed out by earlier witnesses.

I think there is one recommendation we would make in connection with the special milk program as regards the legislation that is being considered here. We would recommend a restatement of the intent expressed in the 1970 act. Such action at this time would prove reassuring to program administrators around the county and would provide clear and unmistakable direction to Federal budget planners.

We appreciate the opportunity to appear before you, Mr. Chairman.

Senator ALLEN. Thank you very much, Mr. Bjornson. We appreciate your testimony and your patience in waiting until we could hear you.

Mr. BJORNSON. Thank you.

(The statement of Mr. Healy, above mentioned, follows:)

STATEMENT OF PATRICK B. HEALY, SECRETARY, NATIONAL MILK PRODUCERS FEDERATION

I am Patrick B. Healy, Secretary of the National Milk Producers Federation. The Federation is a national farm commodity organization representing dairy farmers and the cooperative marketing associations they own and operate.

We are pleased to have this opportunity to discuss a number of the most important programs this government operates. I speak, of course, of our child nutrition programs. In a very real sense, the monies expended in this effort represent an investment in our nation and its future. Research has clearly established the direct link between proper nutrition and the mental and physical development of children.

The Federation has a long history of strong support for the basic child nutrition programs as well as efforts to strengthen them and obtain adequate funding. For the last two days, the dairy farmer leadership of the country has been gathered here in Washington drafting the resolutions that will be presented to the voting delegates at our annual convention later this year. Among those actions proposed was a restatement of support for these programs.

The entire thrust of this complex of programs has been toward improving the nutrition of our young people by making available to them nutritious and wholesome foods. In 1972, an action was taken in the form of an amendment to Section 10 of the Child Nutrition Act of 1966 which deeply concerns us. This amendment permitted the serving, or offering of, competitive foods in food service facilities. This in itself may not seem too hard to accept; however, no requirement was included that the foods be nutritious or make any nutritional contribution to the child's well-being.

We are pleased that both S. 1005, as introduced by Senator Case, and S. 1063, introduced by Senator Humphrey, recognize this problem and propose direct action to deal with it. The two proposals differ somewhat in their approach, and selection of a solution to this problem must, of course, rest with the Members of the Committee. If the competitive food concept is to be continued, however, care must be exercised to assure that these foods are nutritional in nature. The language included in S. 1063 is directed toward this goal; however, we do feel that it could be strengthened and made clearer by requiring that any competitive food offerings meet nutritional standards established by the Secretary of Agriculture.

Recent increases in food prices have attracted a great deal of attention as far as the consumers of the nation were concerned. Little public note of the impact this would have on the Child Nutrition Programs was apparent, however, until the last few weeks. Your action in calling this hearing is particularly timely as schools across the nation are getting underway and many of them are faced with severe problems in maintaining an adequate food service program. I will not attempt to deal in detail with the funding problems facing the school food service effort. You have received testimony from the American School Food Service Association which makes these problems abundantly clear. I do want to, however, make clear our support for the action necessary to maintain sound, effective child nutrition programs.

The Special Milk Program has, over the years, been one of the most effective and least costly means of improving child nutrition. During the 1971–72 school year, almost 37 percent of the fluid milk made available to children was offered through the Special Milk Program. In years past, as much as 50 percent of the milk offered in schools was through this program. Expansions of the school lunch and breakfast program have made additional milk available through these sources, but, sadly, we note that since the 1967–68 school year, there has been a steady decline in the milk served under the Special Milk Program.

We feel this represents a missed opportunity to make very real progress in the effort to improve the nutritional level of our children. A half-pint of milk does not sound like much, but to a child who perhaps missed breakfast or had an inadequate one, it can well be the difference between a productive morning in a classroom and a listless, inattentive one.

The Special Milk Program has suffered a good deal from repeated efforts to cut it back or reduce it to almost a shadow program. The budget request submitted to Congress for fiscal year 1974 is another such effort. The request of $25 million for the program compared to the $97,123,000 available last year is a severe blow to the program, but more importantly, to the nutritional well-being of the program recipients. We were gratified by the action of the Senate in restoring the funding of the program to the level of fiscal year 1973. We only hope that this action will be sustained by the Senate-House Conference Committee on the appropriations bill.

Even with funding at the same level as last year, there will either be program cutbacks or increases in the price the children pay for milk. Costs have risen. Raw milk prices are higher than a year ago. Labor, packaging and distribution costs are higher.

In 1970, Congress passed, and the President signed into law, Public Law 91–295. This legislation provides a permanent authorization of $120 million per year for the Special Milk Program. Recognizing past efforts to eliminate or drastically scale down the program, Congress wrote provisions into the law requiring the continuation of the program. In part, Section 3 of the law reads: "The Secretary shall administer the Special Milk Program provided for by this section to the maximum extent practicable in the same manner as he administered the Special Milk Program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969."

During fiscal year 1969, over $102 million were expended in the form of reimbursements to participating institutions. Congress clearly stated its intent that the program be maintained as an instrument of improved nutrition. We applaud other efforts to expand school lunch and breakfast programs. These cannot help but improve child nutrition. It would be a mistake, however, to seek to accomplish these goals at the expense of a program that has proven its worth so well over the years.

We feel strongly that a restatement of the intent expressed in the 1970 Act at this time would prove reassuring to program administrators around the country and would provide clear and unmistakable direction to Federal budget planners.

Section 709 of the Food and Agriculture Act of 1965 provided a vehicle by which the Federal government could enter the market to purchase dairy commodities for use in domestic food distribution programs when stocks available as part of price support operations were inadequate. In recent months, some use has been made of this provision; however, it is possible that more could be done.

A great deal of concern has been expressed over the lack of adequate stocks of food to meet the needs for child nutrition program assistance. It might be helpful for the Committee to consider action to expand the authority contained in Section 709 to permit the purchase of other food items for use in these programs. This would provide the Secretary of Agriculture additional flexibility in program administration and could also be useful in providing program administrators at the state and local level assurance that commodities they had planned on for use in their programs would be forthcoming.

Again, may we thank you for the opportunity to present our views on this important question. The need for these programs cannot be overstated. The National Milk Producers Federation is as strong in its support for these efforts today as it was when the programs were first being formulated. Over the years, this Committee has rendered the American public a great service through its efforts to maintain and improve these activities.

Senator ALLEN. We have a meeting at 1:30 by the subcommittee on another bill which we hope to take action on, so at this time in order to give the witnesses and staff an opportunity to have lunch we will recess. The committee, however, will come back for executive session.

We will stand in recess until 2 o'clock this afternoon.

[Whereupon, at 12:35 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Senator ALLEN. Mrs. Rutherford, come around, please.

We appreciate you coming before the subcommittee to give us the benefit of your views, and we will be delighted to hear from you at any time now.

STATEMENT OF THELMA V. RUTHERFORD, ACSW DIRECTOR, INFORMATION AND REFERRAL SERVICE, HEALTH AND WELFARE COUNCIL—NATIONAL CAPITAL AREA, AND CHAIRMAN, LEGISLATIVE COMMITTEE, D.C. MAYOR'S COMMISSION ON FOOD, NUTRITION AND HEALTH

Mrs. RUTHERFORD. Thank you. I am sorry I didn't take the bill—S. 1063—and go through it section by section, but I didn't have that kind of time, however, I have an idea of its contents and I would like to say that I am in accord with it. I am Thelma Rutherford, director of Information and Referral Service, HWC–NCA, but I am appearing as chairman of the Legislative Committee to the D.C. Mayor's Commission on Food, Nutrition, and Health, also for a group of mothers and consumer aides working with CHANGE, Inc., one of our United Planning Organizations Center in the Northwest Cardoza area, who are concerned with the rising costs of food, and now, the increase in school lunch prices across the Nation.

I appreciate this opportunity to speak on such an important subject and I am grateful that you are holding these hearings. We need good legislation to enable the Secretary of Agriculture and administrative persons in the State offices to better operate, implement, and administer the school lunch programs. The committees on which I serve have followed the various food legislation with great interest, and intelligently endeavored to have some input in making the food programs work. For no matter how good the legislation, if the school lunch programs do not reach the consumer—students and teachers in this case—they will do no good. This statement is also true for the other programs of the U.S. Department of Agriculture, namely, the food stamps, nutrition for the elderly, supplemental foods, and donated foods or commodities.

We want to recommend and indeed plead, that the legislation for the school lunch program insist that all Federal food bills include in its language *funds* for *nutrition education*. It seems incongrous that food programs throughout the Nation, largely funded by the

U.S. Department of Agriculture, fail to include the necessary instructions and administrative expenses to establish a nutrition education program.

We would also request that the new legislation extend lunch programs to *all* schools by *September 1974* instead of 1975 and that lunch be furnished without charge to all students.

I was very happy to hear this morning Senator McGovern say in his statement that he would seek to "extend the benefits of child nutrition programs to all school children in the land," and also the statement of Senator Humphrey. This would assure each school child at least one nutritious meal a day. The U.S. Department of Agriculture could increase its reimbursement to the States and the balance then could be picked up by the States.

We feel certain that the school lunch program would bring about a decrease in some of the health problems caused by poor nutrition or other dietary needs. The "free lunch to all students" will insure at least one good nutritious meal daily and will eliminate the hostility and stigma often generated by the methods now used in some schools in the handling of free lunches for the "poor or needy" student.

Contrary to Mr. Yeutter's statement, school lunch programs should be mandatory, at least it should be mandated in the legislation that all States have food programs. We have found in the District of Columbia that some of the administrators—even though we have a mandate for the schools—some of the principals are so opposed to the school food program that they try to get out of participating in it. This has been very difficult for the food director here in the District.

We were informed by Mr. Stewart, Director, Food Services Section, that he must increase the school lunch prices by 10 cents per child—elementary students from 25 to 35 cents per lunch and secondary students, from 30 to 40 cents per lunch. For some families this may mean as much as $2 increase per week where there are four children in the lunch program. This increase may cause many families to have to take their children out of the program. This is happening here now in spite of the fact that there has been no increase in the family income. No one seems to have considered the hardships imposed on these families because of these increases.

We have heard that some of the older parents in the families are now buying dogfood for their own consumption.

In the early days of the school lunch program, it was pointed out that children were better disciplined, better motivated to learning and showed greater interest in their classwork after they had eaten an appetizing and nourishing meal. In light of this, we would recommend your consideration of the school breakfast program, established by the Child Nutrition Act as an important part of this legislation. Locally we are reminded daily of the great need for nutritious meals in the inner city, both for youth and the aged. Hence, we cannot say enough to impress on this committee and other legislative committees the importance of hearings wherein the community people can have some input in the legislation. We are ever ready to be of assistance in getting to you facts, figures, and statistical data to strengthen your bills.

There were 7,494 students enrolled in the public schools in the CHANGE, Inc., area last spring. Nine schools, two of them junior high and seven elementary schools, with 3,365 students receiving free lunch based on the family financial situation and 4,129 paying a reduced fee for their lunch. Of this last number, I am wondering how many may now be cut off the program because of increased costs. Moreover, the increased cost of milk in the schools, and now the stoppage of the special milk, must be considered in your deliberations and amendments to the school lunch program.

We thank you again for this opportunity to be heard and remind you of our sincere concern for the nutritional needs of our youth and elderly. And we would like to be of service any time you need us.

Senator **Allen**. Thank you, Mrs. Rutherford. We appreciate your appearance before the subcommittee and giving us this fine testimony and we will consider you as we study the bills.

Thank you.

Mrs. **Rutherford**. Thank you very much.

Senator **Allen**. Mr. Feighner, please.

I would like to apologize for the schedule we have had and the fact you were delayed. I appreciate you being here.

STATEMENT OF J. W. FEIGHNER, PRESIDENT, TOM'S FOODS, LTD., COLUMBUS, GA.

Mr. **Feighner**. Thank you, Mr. Chairman.

My name is J. W. Feighner. We are going to make this as brief as possible.

I am president of Tom's Foods, Ltd., Columbus, Ga. This appearance is entered in behalf of the National Confectioners Association, which is the national trade association of candy manufacturers and industry suppliers located throughout the United States, and the National Candy Wholesalers Association, which is the national trade association of candy wholesalers. Accompanying me here today in particular representation of candy wholesalers is David C. McMahan of McMahan Candy and Specialty Co., Batesville, Miss.

The statement I shall present will confine itself to the provisions enacted in 1972 which provided that the determination regarding the sale of so-called competitive foods on school premises should be a State or local decision and not one of the Secretary of Agriculture. We think it is strange that there are some who are utterly and absolutely opposed to permitting State and local officials from making their own decisions regarding competitive food service. Under the current law, State and/or local officials are completely free to decide whether they wish to permit any competitive food service whatsoever and, if so, when, where, and what is to be offered for sale. It is interesting that some State or local officials who are free now to make their own decisions in this area feel so strongly that the Federal Government should make this decision not only for them but for all other schools in the country. The State and local authority authorized under current law makes good sense. Conditions and circumstances vary widely throughout the United States and among other things which State and local authorities now may decide are what food items may be sold at specific times and places on the school premises. Making certain wholesome pleasure foods available on the school premises can be valuable to the schools by encouraging students to remain on the school premises instead of leaving the school grounds to encounter traffic hazards and the temptation to make other purchases which can be injurious to the mental and physical health of students.

We feel this is an extremely important consideration.

It is puzzling that some contend that while State and local officials are capable of conducting their school systems, they are not capable of deciding what items may be sold at what times on the school premises.

Also, the timing is peculiar. The final regulations under the 1972 law only became effective in June of this year, as you are well aware. Therefore, notwithstanding the logic of permitting State and local decision in this matter, this committee now has before it and is considering legislation to repeal the 1972 revision even before it has had an opportunity to observe its functioning.

Whatever consideration the subcommittee and committee may give to S. 1005 and S. 1063, it is urged that section 1 of S. 1005 be deleted and that section 9 of S. 1063 be stricken.

We certainly want to thank you for permitting us to appear before your committee, and I might just add this one offhand comment. I have been on our own local school board for 12 to 13 years. We have a very fine group of citizens. I stay out of anything that affects this personally, but we have dentists, we have doctors, and we have businessmen, school teachers, one retired school teacher, and they are, in my opinion, very competent to make these decisions themselves.

Senator Allen. Thank you very much, Mr. Feighner, and Mr. McMahan.

STATEMENT OF DAVID C. McMAHAN, McMAHAN CANDY & SPECIALTY CO., BATESVILLE, MISS., REPRESENTING THE NATIONAL CANDY WHOLESALERS ASSOCIATION

Mr. McMahan. I would like to make one statement. I am a general line candy wholesaler and I have noticed over the years, regardless of whether the school sells candy or not, the child will stop on the way to school or buy it somewhere, and invariably across from the school a store will open up and have substandard merchandise we are not willing to sell. They will sell anything to the children to make a dollar. Yet when we sell directly to the school they are very selective in buying quality merchandise only. That is very noticeable that when the schools buy they buy top brands, while the place next to the school will buy anything to make a nickel.

Senator Allen. I recall Senator Talmadge on the floor of the Senate when this matter was pointed out that without the sale of this type of merchandise in the schools it would result in children going off the school grounds, running the risk of being run over or subjected to all sorts of hazards and places outside and off the school ground. I thought it was a very forceful point.

Now, I believe Mr. Bjornson made the comment that Senator Humphrey's bill was requiring that this food be nutritious. Notice, if that is all that bill does—I haven't made a study of it. I rather imagine it is more than—but there would be no objection on your part that this would be added if that is the only thing being added.

Mr. Feighner. There is also the determination of what is nutritious and what isn't.

Senator ALLEN. I am always impressed with these hearings on matters of Federal funds, of people back home, they are always interested in obtaining Federal funds, but they shirk responsibilities sometimes, and I guess it is human nature. But here is an opportunity to exercise a little responsibility in connection with this program, and it is a little bit of exercise of States' rights and legal determination and local control it appears to me in general.

I notice the Secretary, Mr. Yeutter, as you point out, the program is just now getting underway, this policy is now being implemented, he is getting guidelines from the various local boards and all, and he wants to see how it will operate. I think that was very valuable testimony.

One of the witnesses for legislation in general stated, if not in oral testimony certainly in conversation without divulging any confidence, they stated that the matter of primary concern is the monetary end of this to alleviate this hardship that the programs are experiencing now, and I am hopeful that we will not get into matters of policy, that we will inject some more Federal funds into the program which is very, very fine, and I am all for it. I am sure you gentlemen are.

Mr. FEIGHNER. Oh, yes, sir.

Senator ALLEN. I hope there won't be too much in the way of reform legislation and modifying rules of longstanding, rules of shortstanding for that matter, that have been declared to be the policy of the Congress and of our Government.

I appreciate very much your appearance and we are going to—the bills will all go up now to the full committee for further consideration and possibly next Wednesday, and with that thought in mind I am going to hold the record open through Tuesday, September 18, for further statements that may be added to become part of the record.

We have called on Secretary Yeutter to prepare the Department's recommendation with regard to each separate provision of the various bills, the McGovern bill, Humphrey bill, and the Case bill, the Case bill being embodied in the Humphrey bill, but I believe not the McGovern bill. I don't believe Mr. McGovern's bill has that Case language in it.

Mr. FEIGHNER. I haven't seen it. I have only seen two.

Senator ALLEN. Senator McGovern apparently took the position that we should act on matters that are in emergency status.

I appreciate your appearance.

Mr. FEIGHNER. Thank you for letting us come before you.

Senator ALLEN. If there are no other witnesses we will stand in recess.

[Whereupon, at 2:12 o'clock p.m., the subcommittee was recessed subject to the call of the Chair.]

[Additional statements filed for the record are as follows:]

STATEMENT OF HON. WALTER F. MONDALE, A U.S. SENATOR FROM THE STATE OF MINNESOTA

Mr. Chairman, and members of the Subcommittee, I welcome the opportunity to testify on behalf of the increase in federal payments under the National School Lunch Act embodied in Senator Humphrey's bill, S. 1063, as amended. I particularly wish to emphasize the necessity for an increase in the level of federal subsidies in order to maintain the continued high level of school and student participation in the school lunch program, and I urge this Committee to take prompt action on S. 1063 to preserve the important goals of the program. We must not allow this program, critical as it is to the children of our nation, their education, and their futures, to wither from insufficient funding.

As enacted in 1946, the National School Lunch Act sought "to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods." The nutritional benefits of the school lunch program to the participating child are obvious and need not be dwelt upon here. For many, the federally subsidized lunch is the only nutritionally balanced meal the child will receive during the course of the day. For others, the school lunch provided through the auspices of the federal program will be the *only* meal the child eats that day. In addition to the nutritional benefits it provides, the lunch program is critical to educational progress. A child cannot learn if he is hungary. Hunger makes the child restless, lethargic, inattentive and even physically ill. The federally supported school lunch enables the child to benefit from his educational experience. Finally, one must not underestimate the effects of perceived inequality on a child. When one child—a victim of decreased participation in the program—watches his school mate eating a hot meal in the school cafeteria while he or she eats a meager meal from home, or no meal at all, the social and psychological damage to the child is difficult to measure. If the Congress is to continue to honor its commitment to this Nation's children, federal support for this important program must keep pace with the rising cost of school lunches to the schools participating in the school lunch program. Otherwise, schools will drop out of the program or will raise the price of lunches to the child. In either case, participation is lessened and nutrition, education, and child development will suffer.

Federal payments reimburse participating schools for the cost of meals. The federal school lunch program provides this aid to the school in two interrelated forms. First, under Section 11 of the National School Lunch Act, free and reduced-price lunches are furnished to needy children who satisfy federal eligibility standards. It is estimated that more than 8 million children receive a free or reduced-price lunch under this aspect of the program. The Department of Agriculture believes that about 80 percent of the poor in our Nation's participating schools receive a free or reduced-price lunch. In addition, under Section 4 of the Act, the federal government subsidizes, at a current level of 8 cents per meal, each lunch served by participating schools. More than 18 million additional children benefit from this aspect of the program. All in all, more than 26 million children receive a federally supported lunch.

In order to maintain the current level of school and student participation in the program and to continue the provision of lunches, federal payments must approximate actual costs to the schools. The cost of a lunch is the total of the cost of the food served, the cost of the labor needed to prepare and serve the food, and certain other costs including equipment. By far the largest component in the equation is the cost of food. Since November 1971, when the support level of 40 cents per meal reimbursement for free lunches under Section 11 was established on the basis of then-current prices, the wholesale cost of food has increased 37.7 percent nationally. Yet, the federal subsidy has remained at the 40-cent level set on the basis of 1971 prices. Similarly, since September 1972, when the level of 8 cents per meal under Section 4 was set, the wholesale cost of food has increased almost 30 percent with no concommitant increase in the federal payment level. When one also considers the parallel increase in the cost of labor and other inputs necessary to the preparation of a lunch, it is abundantly clear that federal payments are too low.

The dimensions of the problem caused by increased costs and no increase in payment rates are accurately revealed in a forty-state survey by the Senate Select Committee on Nutrition and Human Needs. The Committee found that the anticipated cost of producing a lunch during the 1973–1974 school year varied from a low of 50 cents per meal to a high of 85 cents per meal, the average cost being 61.4 cents per meal. Not only is the *average* cost above the federal support level of 48 cents for a free lunch, but even the *lowest* cost in the survey is above the subsidy level. Officials of the School Lunch Section of the Minnesota Department of Education advise me that the basic cost of a school lunch, which stood at less than 40 cents when the Section 4 and Section 11 levels were set, may be as high as 70 cents during the 1973–1974 school year. In short, federal payments do not approximate actual cost.

When the cost of a meal exceeds the Federal payment level, some schools will have sufficient funds to make up the difference or sufficient flexibility to reduce costs. Of course this will mean a reduction in the quality, quantity, and variety of meals and added burdens on State and local funds. For those districts which are not financially secure or are unable to reduce costs, and such districts are clearly in the majority, the options are two. Either raise the price to the student of the federally supported meal or drop out of the school lunch program. The Hunger Committee survey reveals that this year school lunch prices have been increased by as much as 10 cents per meal in 29 of the 40 states contacted. In Minnesota, where some 566,000 students participate in the school lunch program daily, prices have risen by approximately 5 cents per meal from the 1972–1973 level.

For the student who is receiving a free lunch, the imposition of any charge for a school lunch will more often than not mean that the child goes without a lunch. For those children who pay for their lunches, studies indicate that price increases will mean a decrease in participation. The Hunger Committee survey points to this relationship, and Department of Agriculture studies confirm its existence. In short, when rising costs make federal supports insufficient, price increases will usually result. Unless the cost increases are defrayed by the federal government, fewer students will receive the benefits of the National School Lunch Act.

Senator Humphrey's bill raises the reimbursement rates on all lunches from 8 to 12 cents per meal and the reimbursement rate on free lunches to 45 cents per meal. Although it is conceivable that an even greater increase may be required in the near future to keep pace with rising costs, the increases embodied in S. 1063 will surely help local school districts maintain meal service under Section 4 at a reasonable price and enable school districts to recover the actual cost of serving a free lunch under Section 11. Most importantly, the risk of decreased participation in the school lunch program may be alleviated.

The bill, as amended, also contains many other desirable features which I fully support. For instance, the bill extends the women, infants, and children (WIC) supplemental feeding program and increases funding for that important weapon against hunger and malnutrition. It also increases school breakfast reimbursements and provides a framework for development of a meaningful nutrition education program.

Finally, in developing urgently needed school lunch legislation, I urge the Senate Agriculture Committee to focus on the crisis precipitated by the Administration's decision to withdraw funding for the special milk program. Although the Senate appropriated $97 million, the House of Representatives unfortunately sustained the President's position in action on the fiscal 1973 Agriculture appropriations bill by appropriating only $25 million for the milk program. I hope that the Senate conferees on this measure will stand fast in support of continued funding to provide milk to all schools participating in the national school lunch program. But under the terms of the continuing resolution for the Department of Agriculture, funding must be provided at the lower of the two designated levels until differences between the House and Senate-passed appropriations bills are worked out. This has resulted in the loss of essential special milk funding to schools throughout the United States—a step which the Senate sought to avoid. Schools with school lunch programs have been eliminated from the school milk program. Minnesota stands to lose $2,671,000 in federal support as a result of the cut-backs in milk funds. To reaffirm the Senate position, and alleviate the hardships resulting from the loss of special milk funds, I would hope that the Senate Agriculture Committee would approve, as part of the new school lunch bill, a provision restoring the eligibility of all schools for special milk funding.

We have made a profound commitment to the alleviation of hunger in this Nation. The school lunch program is a cornerstone of our efforts. Insufficient funding threatens achievement of our goals. Congress must act to fulfill its promise to the 26 million children who now depend upon federally supported lunches.

STATEMENT OF HON. PHILIP A. HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Thank you for allowing me the opportunity to present my views about the bills you are considering here today. They have my wholehearted support. In particular, I support the increase to 12¢ for Section 4 and to 45¢ for Section 11 lunches.

The crisis predicted over the summer for the school lunch programs throughout the country is now upon us. We must act and act quickly to increase the federal subsidy rate for free and reduced price lunches. We have made so much progress in the last few years. We cannot allow school children to start going hungry again because of a price spiral we cannot control. Too much depends on the nourishment of our youngsters: their health, their education, their futures. We cannot slip back. Yet unless we act on these bills, 800,000 children will have to drop out of the school lunch program.

In my own home state of Michigan, many schools have had to increase the cost of lunches by five cents. Past experience shows that each five cent increase eliminates 15% of the participants, or about 80,000 children. These are children from homes who feel the pinch of rising food prices the hardest and can least afford the loss of a high-protein hot meal.

If we do not increase our subsidies, the price may have to go up again. Local schools have limited options. They cannot charge for free lunches; they cannot charge more than 20¢ for reduced-price lunches. Increased costs must be made up by local funds or charging more for "paid-for" lunches. The losses may be so high that neither the local districts or the middle income families can absorb them. On free lunches, the average loss is 12¢ a lunch; on paid-for and reduced price lunches, they can lose 8¢ apiece.

We must help them out or they may take the only other road open to them—abandonment of the entire program. It is alarming that by July, 12 Michigan high schools had already dropped out, substituting only a-la-carte lunches and vending machines. More will have to do the same. Lacking in proper nutritional education, many of these children will choose "junk foods" designed for snacking, not substance. Commodity distribution, as expected, is far below the average and even last year's level. Without commodities, or cash payments in their place, the schools may be faced with further losses and further increases for lunch and breakfast.

Many of your witnesses will recount the desperate state of affairs in the nation's school districts because of these increased costs. Let me urge you also to remember during these debates the special milk subsidy program. Reimbursement rates have traditionally been three cents per half-pint for milk sold as a separate item; four cents for supplement to Type A lunches; or two cents for all milk served, if not offered separately. Every year, as you well know, we have battled over the appropriations for this program. This year, funds were cut in the House, at the Administration's request, from last year's level of $97,123,000 to $25,000,000. We restored the cut, and hope that the increased funds will be kept by the Conference Committee.

Yet, this may be too late. Schools cannot operate under budgets not set until January. Now they must follow the Department of Agriculture regulations issued under our continuing resolution which, contrary to our Congressional intentions, totally eliminated milk subsidies to all schools which have any type of food service program, even only soup and sandwiches twice a week. The theory is that these schools already offer milk, and more is not needed.

Milk costs, too, have gone up. In Michigan, our schools have had two price increases since August, and there are more to come. Last year schools charged 3–4¢ per half pint for seconds and snacks; now they must charge 7–8¢, and possibly more in the future.

The effects of these increased costs and restriction to only "no-program" schools have already been felt in the schools:

1. Some elementary schools have switched from milk to less expensive and less nutritious fruit flavored drinks as recess snacks.
2. Poor children no longer receive free supplemental milk.
3. Kindergarteners, who come too late for breakfast and leave before lunch, may receive no milk at all during the morning.

Action to restore this year's cuts is beyond the scope of your committee hearings. But you can act to eliminate the yearly bickering about this program by supporting Senator McGovern's amendment to Section 3 of the Child Nutrition Act assuring that "Any school or non-profit child care institution shall receive the Special Milk Program upon their request. Children that qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk". I hope that you will give this your full consideration.

Statement of Hon. Edward M. Kennedy, a U.S. Senator From the State of Massachusetts

Mr. Chairman: I am pleased to have this opportunity to express my concern for the need to provide assistance to those youngsters who are threatened with the loss of school meal programs authorized under the Child Nutrition Act.

Food costs have increased so drastically each month of this year that today the compound effects of spiraling costs have seriously disrupted the supply of adequate nutrition for hundreds of thousands of people all over this country.

In June, 1972, when I conducted hearings before the Select Committee on Nutrition and Human Needs, witnesses from the United States Department of Agriculture testified that funds for federal food assistance programs were left unspent because the Department claimed there was insufficient need. Yet, these officials also admitted they had called for a freeze on participation in federal food service programs and in that way prevented local program managers from identifying additional needy people.

Again this year, U.S.D.A. officials testified in similar hearings that appropriated food assistance funds were also going unused even though two million needy children were not getting school lunches. Recipients of surplus commodities were not receiving decent meals, and some 75,000 old people had been dropped from the food stamp rolls.

Inflation has created high food costs that are squeezing the budgets of all American families. And those with adequate incomes, have been highly vocal about the problems they face because this month's prices are so much greater than they were earlier this year. Indeed those who must live on low incomes are in a struggle for survival to keep a food budget balanced on an ever shrinking income. And the children in those families emerge as the saddest victims of the battle against inflation. At home their parents cannot provide the food stuffs to meet adequate nutritional requirements. And unless the Congress provides increased assistance, those same youngsters may lose the meals they had received from school breakfast and school lunch programs.

Twenty-seven years ago, the Congress created the National School Lunch Program, "to supply lunches without cost or at a reduced cost to all children who are determined by local authorities to be unable to pay the full price thereof." Yet, millions of school children are threatened with the loss of these benefits because spiraling food costs might put local school districts out of the child feeding business.

The proposals included in the legislation considered by this subcommittee are therefore designed to retain the participation of those hungry needy youngsters who left school last June as recipients of breakfast and lunch programs; and who returned to school this month eagerly hoping for a continuation of the healthy benefits they received from those meals. We must work to enact these proposals, simply because so many children depend upon the school feeding program for the only solid meal they will receive during the day.

Treasury Secretary Shultz last week admitted to reporters that a loaf of bread made from United States supplied wheat is cheaper in Moscow than it is in Washington, D.C., since the massive Russian wheat deal was settled. But the 50,000 school children who receive free lunches in Washington shouldn't be forced to go hungry simply because our government has mismanaged our national food supply system.

State school food service directors are deeply concerned about the need to maintain adequate feeding programs for the thousands of children in their schools who are eligible for aid. During the last school year in Massachusetts, 145 million school lunches were served in my state. 25% of those meals were free lunches served to the neediest youngsters. Also during that year, in 62 Massachusetts communities, about 2.5 million free breakfasts were served in 208 schools.

These figures indicate how important it is to maintain these programs so that we can at least meet the need already described. School food service programs are so vulnerable to the effects of inflation that many children will be denied meals unless we enact the provisions of the bill pending before this committee.

S. 2409 increases the federal reimbursement rate for school lunches and school breakfasts, so that 12 cents will be paid by the federal government for all lunches, and 45 cents will be paid for free and reduced lunches.

Breakfast reimbursement rates will be eight cents for the regular, 23 cents for reduced price and 28 cents for free meals. In addition, this measure authorizes people living on Indian reservations to participate in the W.I.C. (Women, Infants and Children) Program.

The bill calls for the extension of the school lunch program to all schools by 1976; and the bill provides for the delivery of free and reduced price milk to all deprived youngsters; regardless of whether they are enrolled in a school that also operates a lunch program. This provision is specially aimed at recent U.S.D.A. policy directives that deny free and reduced price milk to poor youngsters enrolled in schools that also operate full lunch programs.

Finally, this bill authorizes states to extend reduced price lunch to children in families of the working poor. Existing regulations restrict school lunches to children from families whose incomes fall below the poverty line. The provisions in this measure will ensure that needy children will obtain the benefits required for decent nutrition.

Mr. Chairman, there is one other area in which your attention will be especially important to those who rely upon federal food assistance programs. Under current policies state school lunch the allotted administrative costs are too meager to adequately manage the administrative expenses that many states incur. The formula used by the U.S.D.A. allots only $68,000 each year for administrative costs. Yet, the Director of the Massachusetts Division of School Facilities and Related Services told me that these expenses amount to over $150,000 per year. In other states the amounts available for such expenses are similarly too low to cover these costs. For that reason, I would urge the committee to seriously consider ways to provide adequate funding for these vital costs.

Your concerned attention to this matter will be deeply appreciated.

STATEMENT OF INDORSEMENT—EMERGENCY CHILD NUTRITION ACT OF 1973

Justification for subsistence for human growth in a progressive society should be sufficient, in itself, for a bill to amend the National School Lunch and Child Nutrition Acts in 1973.

The potential of the human mind and physical well-being is greatly enhanced by adequate substance. Greater rewards to the economy and the person are derived from good nutrition.

To fail in its obligation to furnish balanced diet by support of the Administrations attempts to furnish a balanced budget, the Department of Agriculture manifests the false assumption that squeezing the stomachs of the poor, the deprived, the elderly and oppressed is the best method of balancing the payments.

The Emergency Child Nutrition Act of 1973 provides for Federal financial assistance where it is greatly needed to nurture increased brain power and preservation of life. School children are eligible for breakfast, lunch and milk subsidies under the provisions of this bill.

We, the members of D.C. Citywide Consumer Council indorse the Emergency Child Nutrition Act of 1973, with the amendments, thereto, to the National School Lunch and Child Nutrition Acts.

MRS. WILHELMINA F. PATTERSON,
Vice President, D.C. Citywide Consumer Council.

WASHINGTON, D.C., *September 13, 1973.*

Senator JAMES B. ALLEN,
Chairman, Senate Subcommittee on Agricultural Research and General Legislation, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR ALLEN: The undersigned, as counsel for the National Soft Drink Association, is desirous of submitting the attached statement in opposition to Senate bills 1005 and 1063 on which hearings are scheduled this morning before your subcommittee.

The association is the national trade association which represents approximately 1,800 soft drink bottlers in the United States, and it is on their behalf that we request that the statement be made a permanent part of the hearing record on S. 1005 and S. 1063. Three copies of this letter and our statement have been provided to Mr. James M. Kendall of the subcommittee's staff.

Respectfully submitted.

THOMAS A. DALY,
Legal Counsel, National Soft Drink Association.

[The Enclosure follows:]

STATEMENT BY THE NATIONAL SOFT DRINK ASSOCIATION IN OPPOSITION TO S. 1005 AND S. 1063

The National Soft Drink Association, the national trade association comprising well over 1,700 soft drink bottlers in the United States, respectfully requests that this statement in opposition to S. 1005 and portions of S. 1063 be made part of the permanent hearing record of the subcommittee. It is respectfully urged that the subcommittee consider it in their deliberations on the amendments to the Child Nutrition Act of 1966.

Our opposition to the bills under consideration goes specifically to Section 1 of S. 1005 and the intent of the amendment in this portion of the bill to delete the so-called competitive food sale provision from the Child Nutrition Act of 1966. This same intention is found in Section 9(b) of S. 1063 and is likewise opposed. In addition, we oppose Section 9(a) of S. 1063, which seeks to ban foods which made no "significant nutritional contribution" to the school lunch program.

In our opinion, each of the amendments seeks to accomplish the same end; namely, to federally control or in some instances ban the sale of competitive food items in the nation's schools. In the one case, this would be accomplished by regulation from the Secretary of Agriculture, and in the other case, the local school's food service department. In the first instance, we submit that it is impossible for the Secretary of Agriculture to address himself wisely to the peculiar needs of each school district in the nation, and in the second instance, the action either permitting or denying the sale of "additional foods which make a significant nutritional contribution" by the food service department would be arbitrary at best and most certainly would be confusing. Competitive foods significant nutritionally to one food service department may be insufficiently nutritional to another. We suggest further that there is more to nutrition than vitamins. Quick energy, assimilation of liquid, enjoyment and acceptability, all characteristics of soft drinks, can of themselves or together contribute to the total well-being of the student.

We respectfully submit that passage of these amendments would result in destroying the additional following positive attributes existing under current law:

1. Deprive local authorities from applying their own expertise and judgment to meet local conditions which they know best.
2. Deprive school programs and organizations of badly needed funds to finance many worthy activities.
3. Deprive students of the opportunity of buying lunch at the school where items they desire to eat with their lunch become unavailable.

We respectfully submit that passage of the amendments would result in the following negative situations:

1. Students would leave the school environs for places where the desired banned competitive food items were obtainable.
2. Increase the risk of injury to students off the school campus and subject them to undesirable outside associations at student "gathering places."
3. Confront many schools with economic problems which could in themselves destroy the school lunch program in the school which, in effect, would frustrate the will of the Congress in establishing the School Lunch Program over 25 years ago.

In conclusion, we would respectfully submit that the Child Nutrition Act as it stands at the present does not compel the sale of competitive foods; neither does it forbid their sale. In our opinion, it wisely leaves the choice of programs to the local school authorities. This, it seems to us, was the wisdom of Congress in placing the School Lunch Program in its present posture. We submit that the Congress was right then and is correct now. We see nothing that has occurred since Congress last considered the matter that should alter its past judgment on the subject.

We urge the subcommittee to decline to favorably respond to S. 1005 and S. 1063.

BLOOMINGTON, MINN., *September 10, 1973.*

HON. JAMES B. ALLEN,
Russell Office Building,
Washington, D.C.

DEAR SENATOR: I'd like to thank you for the opportunity to testify before your distinguished committee on behalf of the United States Jaycees.

Last year, during my term as national president, I had the chance to travel a half million miles and understand the concerns of many of our 300,000 Jaycees and 200,000 Jaycettes. They are indeed concerned with federal spending and high prices, but they are also concerned with priorities and good investments.

Our members are 18–36 years of age and for the most part have children in school. It is very easy to see the value of an inexpensive lunch for the child of a young family man or two working parents struggling to make ends meet. And we know that what is provided is not just a meal but a nutritionally balanced meal, and that makes a good deal of difference.

When the proposal was brought to the U.S. Jaycees last year to help involve the remaining 18,000 "no program" schools on the National School Lunch Program, we supported it because 1. of the proven importance that nutrition plays in the development of a child's education and health; 2. if one of us loses, we all lose. Far better to invest in a child nutritionally while he's young than to have to pay for him medically and on welfare when he's older.

We know this is a critical period for the National School Lunch Program, for food prices have never been higher. But we believe the best method to relieve the cost to school districts is not to pass the cost on to the middle class consumer—but rather to raise reimbursement rates. The poor child is already receiving a free lunch, so the cost will again be borne by the young family man who is struggling to establish himself and has not yet hit his peak earning years.

I also know that the U.S. Jaycees Center for Improved Child Nutrition has mobilized our state and local chapters throughout the country and that they will be expressing the Jaycees' support of child feeding programs to Congress, their state legislatures and local school boards.

Finally, we believe strongly that as the Center's newsletter "Common Sense" states, "It just makes common sense to feed children."

Sincerely yours,

SAMUEL D. WINER,
U.S. Jaycees Center for Improved Child Nutrition.

STATEMENT OF FRED T. KUSZMAUL, DIRECTOR, AMERICANISM AND CHILDREN AND YOUTH DIVISION, AMERICAN LEGION, INDIANAPOLIS, IND.

Mr. Chairman and Members of the Subcommittee: The American Legion appreciates the opportunity to present its views in support of legislation presently being considered by this Subcommittee which would amend the National School Lunch and Child Nutrition Acts for the purpose of providing additional federal financial assistance to the school lunch and school breakfast programs and the establishment of programs in nutrition education and training.

Since 1924, the Legion has conducted a National Children & Youth Program. Our program is community centered and conducted for the most part by an estimated 50,000 volunteer workers of The American Legion and the American Legion Auxiliary. These volunteers are located in over 16,000 local American Legion Posts and nearly 14,000 local Units of the American Legion Auxiliary. Because our program is community centered, we believe that we have an excellent vantage point from which to learn of the various problems confronting our children including the need for adequate nutrition of our school-age youngsters.

For the past three decades, The American Legion has been concerned with the problems of adequate child nutrition. As early as 1941, the Legion recognized the need for improved child nutrition due to the number of military inductees who were treated for defects of health traceable to early malnutrition and undernourishment. It was at this time that The American Legion endorsed federally supported school lunch and milk programs and encouraged its Posts and Auxiliary Units to give their leadership and cooperation to school lunch programs in behalf of the needy children of our country. From this early concern, other resolutions were adopted to support our original mandated position. Following is a summary of actions and recommendations of The American Legion in relation to improving the nutrition of school-age children:

That local Posts and Units continue their efforts in the school lunch program and also to support and lend their leadership and cooperation in establishing school milk projects in their respective communities (1942).

That we urge the representatives in Congress to oppose any reductions in the school lunch and milk program which would bring undue hardship to thousands of children (1966).

At the Legion's National Convention last month, the following resolution was unanimously adopted: Resolution No. 441 "*Adequate Nutrition for School Children.*"

Whereas, There has been an expression of concern by health authorities and various national organizations with an interest in the status of proper nutrition among young people; and

Whereas, The federal school lunch program and other federally supported nutrition programs for children have demonstrated their worth as evidenced by a reduction of health problems, improved school performance among children, and a reduction in the dropout rate; and

Whereas, There are many school systems throughout the United States that do not participate in the Federal-State supported school lunch program; and

Whereas, Spiraling food costs are endangering the continued operation of this valuable program in some localities; and

Whereas, Since 1941, The American Legion has supported the Federal School Lunch Program and other related programs of nutrition for children; Now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Honolulu, Hawaii, August 21, 22, 23, 1973, That American Legion Posts located in communities without an adequate school nutrition program cooperate with other interested organizations and school authorities to the end that adequate school nutrition programs may be established and maintained in such communities; and be it further

Resolved, That the Congress of the United States and the various state legislatures are urged to appropriate sufficient funds for school nutrition programs to reflect the increased cost of food.

The American Legion as a National Organization conducts a program entitled "Temporary Financial Assistance." This is the name given to the program through which a Post of The American Legion can call upon the resources of our National Organization for cash assistance to help meet the needs of veterans' children when it is established that there are no other resources available to provide the required assistance.

The primary purpose of this program is to serve as a bulwark in an effort to prevent the family involved from economic collapse. It has become quite evident from our most recent requests for financial assistance that some families are not able to meet the rising costs of food. Often these same families are not receiving other forms of assistance because of certain regulations or they are required to go through a lengthy waiting period before assistance is available.

The assistance we render is immediate but only temporary and limited. Last year our state organizations and our local Posts and Units expended nearly $2 million for food, clothing, and medical care for veterans' children. Frequently, large families with economic problems have many children in school and if these schools are not involved in a federally supported school lunch program, we may be depriving them of the only well-balanced meal they could hope for on any school day. Our program encourages the local American Legion Post to investigate the family's situation and try to secure free lunches. If no such program is offered—who suffers?

The American Legion National Organization is concerned with the recent disclosure that some 18,000 schools are "no-program schools." They do not participate in the federal school lunch program for many reasons. Local opposition because of philosophical differences, spiraling food costs, lack of facilities and the absence of adequately trained people in the field of proper nutrition are just a few examples. From all areas of our country, we are receiving reports of schools which have closed down their cafeterias for many of the reasons cited above.

It is with these circumstances in mind that The American Legion once again urges increased federal support for all national school lunch programs. Resolution 441 specifically asks for increased federal spending in the area of child nutrition and after reviewing the proposed legislation before this Subcommittee it is our judgement that the proposals set forth would provide the opportunity for an improvement in meeting the nutritional needs of our school-age children.

We urge favorable action by the Subcommittee on this legislation.

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